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HOTEL EMPLOYEES & RESTAURANT EMPLOYEES INTERNATIONAL UNION

HEARINGS

BEFORE THE

PERMANENT
SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

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MAY 15 AND JUNE 21, 1984

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HOTEL EMPLOYEES & RESTAURANT EMPLOYEES INTERNATIONAL UNION

TUESDAY, MAY 15, 1984

U.S. SENATE,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The subcommittee met, at 10:07 a.m., in room 342, Dirksen Senate Office Building, under authority of Senate Resolution 354, agreed to March 2, 1984, Hon. William V. Roth, Jr. (chairman of the subcommittee) presiding.

Members of the subcommittee present: William V. Roth, Jr., Republican, Delaware; and Warren B. Rudman, Republican, New Hampshire.

Members of the professional staff present: S. Cass Weiland, chief counsel; Eleanore Hill, chief counsel to the minority; Katherine Bidden, chief clerk; James McMahon, deputy chief counsel; Chuck Morley, chief investigator, majority; Howard Shapiro and Dan Mastromarco, majority staff counsels; Leonard Willis, minority staff investigator; Sarah Presgrave, executive assistant to the chief counsel of the majority; and Cindy Comstock, staff assistant.

[Senators present at the convening of the hearing: Senators Roth and Rudman.]

OPENING STATEMENT OF SENATOR ROTH

Chairman ROTH. The subcommittee will please be in order.

This morning's witness is Edward T. Hanley, general president of the Hotel Employees & Restaurant Employees International Union. Mr. Hanley's appearance, pursuant to a subpoena issued by this subcommittee, is a natural conclusion to our investigation of the Hotel Workers Union, an investigation which has spanned almost 3 years, 12 days of hearings, 13 depositions, hundreds of interviews, and the review of thousands of pages of documents.

Mr. Hanley was originally invited to appear before this subcommittee last September, but he declined to do so, citing poor health. His attorney also notified the subcommittee in a letter that, if Mr. Hanley did testify, he would invoke his fifth amendment privilege against self-incrimination. The subcommittee, in its preparations for today's hearing, has not sought to obtain an order of immunity for Mr. Hanley, but we do not believe immunity should be necessary for one who holds the position of trust which he holds.

We have many questions to ask Mr. Hanley about his presidency, questions which are the result of our extensive investigation and questions to which the 400,000 members of the Hotel Workers Union deserve answers, for they are questions related to their economic well-being.

This subcommittee has been thwarted many times during this investigation by other union officials and employees who have invoked their privilege against self-incrimination. In almost every case, these individuals have asserted their privilege through counsel and have not been asked to appear before the subcommittee. But we believe that Mr. Hanley, as general president of a huge international union with tens of millions of dollars in assets in both union accounts and health and welfare funds, has the ultimate responsibility to testify about his union activities, and we hope that he will do so today.

We believe that Mr. Hanley has a fiduciary duty, grounded both in the common law and Federal statutes, to testify about his union activities. The AFL-CIO, of which the Hotel Workers Union is an affiliate, has shared this belief for over 20 years.

If Mr. Hanley refuses to respond to questions, he has breached this fiduciary duty, and it is important that this fact be understood by as many members of his union as possible.

Now, we have received numerous allegations about Mr. Hanley's union and Mr. Hanley himself. These allegations have been made public in the record of our past hearings on this union or will be found in the subcommittee's final report which will be issued in the near future. The existence of these allegations imposes an even stronger fiduciary obligation upon Mr. Hanley to testify truthfully and completely this morning.

We have been told that Mr. Hanley padded the union's payroll with friends, organized crime associates and relatives when he took the union over in 1973.

We have been told that under Mr. Hanley's direction, the union executed three loans totaling over $6 million, and that these loans were given to friends and an associate of organized crime figures. All three loans have defaulted. Further, we have received allegations that kickbacks were paid in conjunction with these loans.

We have been told that Mr. Hanley has used his powers of mergers and trusteeships to install his choices for local offices in place, and to blunt any effective dissent of his policies at the local level.

We have been told that Mr. Hanley has attempted to merge as many local health and welfare funds as possible into the union's international fund, to give him control of a huge pool of money.

We have been told that Mr. Hanley has given himself and his other ranking officers numerous perks, including lifetime retirement contracts.

We have been told that Mr. Hanley became president of the Hotel Workers Union through the influence of organized crime interests in Chicago. In this regard, I would like to make reference to some of the transcripts of taped phone conversations which were recently used during a Federal trial in San Francisco. In one of these conversations, Ray Lane, Mr. Hanley's choice to head local 28 in Oakland, states that "they made him"—meaning Hanley—"the general president."

Lane's statement was made in the context of Lane's plan to merge his local with local 19 in San Jose and a plan to have Chicago organized crime figures, such as Allen Dorfman and Joey Lombardo, persuade Mr. Hanley to agree to this merger.

During another conversation, Dorfman says Mr. Hanley has been talked to and, in another, labor "fixer" Sidney Korshak tells Dorfman he is going to meet with Hanley and Dorfman asks Korshak to ask him about the merger. Perhaps Mr. Hanley can tell us who "they" are in Lane's statement and what Mr. Korshak had to say and, indeed, how he became the president of this union.

At this time, I would like to place all the San Francisco transcripts, which are public record information anyway, into the hearing record, and I will submit several pages for the printed record at this time.

[The material referred to follows:]

Date: March 29, 1979

Time: 1:42 p.m.

Parties: ABE CHAPMAN, SOL SCHWARTZ

Unidentified Female 1: Good afternoon 693-8550

Unidentified Male 1: SCHWARTZ?

CHAPMAN: Yes.

UM 1: Hello, yes I have a collect call for Mr. SCHWARTZ from Mr. CHAPMAN.

UF 1: Yes operator one moment please, we will accept

UM 1: Thank you.

UF 1: Hold on please.

SCHWARTZ: Hello.

CHAPMAN: SOL?

SCHWARTZ: Yeah.

CHAPMAN: How are ya?

SCHWARTZ: Okay. Hold on ABE.

CHAPMAN: Allright. (Pause) I saw uh ALLEN yesterday with RAY.

SCHWARTZ: Yeah, you (Unintelligible).

CHAPMAN: Did he tell ya?

SCHWARTZ: No I didn't talk to him today.

CHAPMAN: Yeah I was with him in uh, La Costa.

SCHWARTZ: Yeah, ya screwed up.

CHAPMAN: Huh?

SCHWARTZ:. Ya screwed up, you were supposed to let me know and so.

CHAPMAN: What do ya mean screwed up?

SCHWARTZ: You were supposed to let me know, and uh I mean if ya'd let me know you're gonna be down there.

CHAPMAN: Wait a minute. Wait a minute. You remember last week when I ta-, when you told me that ALLEN is gonna be there, and I asked him should I take him along and you says yes?

SCHWARTZ: Yeah sure.

CHAPMAN: So you (U)

SCHWARTZ: But if you'da called me ...

CHAPMAN: I called you and you was not there, you was out of town.

SCHWARTZ: Well if ya woulda called the office, Monday ...

CHAPMAN: I called there ...

SCHWARTZ: They would have told ya I was in La Costa.

CHAPMAN: Oh my God uh ...

SCHWARTZ: I was there ya know.

CHAPMAN: I'll be a son-of-a why didn't he, ALLEN tell me?

SCHWARTZ: Sure that's what I'm talking about. I was there ...

CHAPMAN: I don't know, goddamn it, what's the matter with him?

SCHWARTZ: I was there all day Monday ...

CHAPMAN: I give you my word SOL I didn't know you was there ...

SCHWARTZ: Yeah I didn't leave until uh Tuesday um um morning.

CHAPMAN: I'll be a son-of-a-bitch ya know in the in ya know, when she told me you were out of town and I thought you were maybe back there, uh uh Texas or in Atlanta.

SCHWARTZ: No no no ...

CHAPMAN: I was there, anyhow are you gonna, are you gonna be in um in Vegas Tuesday?

SCHWARTZ: Uh I don't know. He, he's expecting me there, but I'm not sure, why?

CHAPMAN: No I'm just asking you, he want me, he wants me to bring FREDDIE in, he wants me and also RAY and he's going try a, he said he's going, RAY explained him everything, and uh he thinks he's gonna straighten things out. Did you get the life insurance from uh RAY?

SCHWARTZ: Yeah, I just got it today.

CHAPMAN: All right.

* * * * * *

SCHWARTZ: Well, is ALLEN gonna talk to uh the, the the boss?

CHAPMAN: Yeah. Huh?

SCHWARTZ: HAN-, HANLEY.

CHAPMAN: He's gonna talk to him, he's gonna straighten it out.

SCHWARTZ: When?

CHAPMAN: Ya know he's he's, I think we should know the next couple of days.

SCHWARTZ: Allright.

CHAPMAN: (U) RAY's over there right now with that other guy ya know.

SCHWARTZ: Yeah.

CHAPMAN: And he wants to, soon as they get it stra-, ya know, know he wants to go in with me to L.A. and and take GUS in that, uh, not GUS, me, his personal friend has 22,000 people. He's, he told ALLEN about Monterey, where he's takin' over that Local the guy wants to uh quit ya know. That Jewish guy.

SCHWARTZ: Mm hmm.

CHAPMAN: And uh also he wants, he said after that he wants to go into Minneapolis, bring the guy into your office (U) to Chicago.

SCHWARTZ: Yeah.

CHAPMAN: Ya know once, if I can get that thing started, I ain't got no problem, ya know wha- and we'll in uh good shape.

SCHWARTZ: Oh yeah.

CHAPMAN: Anyhow, I'll be in touch with you.

SCHWARTZ: We need the first one, we've been waiting for years.

CHAPMAN: Yeah that's what I'm doin'. I will be in touch with you tomorrow.

SCHWARTZ: Listen.

CHAPMAN: Yeah.

SCHWARTZ: (U)

Date: April 19, 1979

Time: 10:24 a.m.

Parties: ALLEN DORFMAN, SIDNEY KORSHAK

---

* * * * *

DORFMAN: Are you gonna meet with MILLER today?

KORSHAK: With ED.

DORFMAN: With ED MILLER?

KORSHAK: HANLEY.

DORFMAN: I mean HANLEY.

KORSHAK: I just left him and he's gonna, I, I had breakfast with him at the Beverly Rodeo ...

DORFMAN: Yeah.

KORSHAK: ... and he's gonna meet me at 11:30, why?

DORFMAN: Uh, did anybody talk to you about talking to him about that merger of RAY LANE's Local up in uh San Francisco?

KORSHAK: I'll find out, he told me for your information, that he had a meeting last week with FITZ and with, uh ANDY was there, and he got into a big argument with FITZ ...

DORFMAN: Um huh.

KORSHAK: And with ANDY, uh, I, I give you my word of honor, I didn't even know what the hell it was about

DORFMAN: No, but this, this has nothing to do with uh, FITZ.

KORSHAK: This has nothing to do with that?

DORFMAN: No, no.

KORSHAK: What do you want to know?

DORFMAN: This is, he, the, these are his Locals.

KORSHAK: All right, tell me.

DORFMAN: There's a guy by the name of ...

KORSHAK: They're in trusteeship.

DORFMAN: Yeah I know.

KORSHAK: All right, go ahead.

DORFMAN: There's a guy by the name of RAY LANE ...

KORSHAK: Wait a minute, RAY LANE ...

DORFMAN: Yeah.

KORSHAK: Yeah.

DORFMAN: And what he would do, he would, he's got the Local union up in San Francisco.

KORSHAK: He has the Local ...

DORFMAN: Right, and he would like to merge with another Local up there ...

KORSHAK: Wants, wait a minute now, wants to merge, go ahead, with Local what?

DORFMAN: Ah, I don't remember the other Local number.

KORSHAK: (U) Local.

DORFMAN: But, uh, uh, I, I'm sure that, that uh HANLEY knows about it.

KORSHAK: All right, and, and somebody is stopping him or he's never asked for permission?

DORFMAN: Well, he's asked for permission and HANLEY originally turned it down.

KORSHAK: Right.

DORFMAN: But these, both these guys are 100% in his corner ...

KORSHAK: Okay.

DORFMAN: So, he really ought to go along with it because this is, this really solidifies him.

KORSHAK: All right, when I see you tomorrow I'll give you the answer.

DORFMAN: Okay buddy.

KORSHAK: See you at 12:30.

DORFMAN: Right.

KORSHAK: Okay.

DORFMAN: Bye.

Date: April 24, 1979

Time: 7:22 a.m.

Parties: ALLEN DORFMAN, ABE CHAPMAN

DORFMAN: Hello.

OPERATOR: Mr. DORFMAN?

DORFMAN: Yeah.

OPERATOR: I have Mr. CHAPMAN calling in.

DORFMAN: Yeah.

OPERATOR: All right. One moment, sir. Go ahead, please.

DORFMAN: Hello.

CHAPMAN: Hello ALLEN. Did I wake you up?

DORFMAN: No.

CHAPMAN: ALLEN, uh, SOL told me to call you regards to HANLEY. Can, uh RAY LANE see you tonight about 9?

DORFMAN: No.

CHAPMAN: Huh?

DORFMAN: No.

CHAPMAN: No. You leavin'?

DORFMAN: No, I'll be here, but I gotta meet with some people.

CHAPMAN: How 'bout tomorrow morning early, 'bout 9 in the morning?

DORFMAN: I got a meeting at 9 tomorrow morning. What's, what's he wanna meet about?

CHAPMAN: About HANLEY. Ah, he ... he talked to HANLEY 4 or 5 times, they're working together on the race track, but he never mention to him that, uh, everything is okay.

DORFMAN: Well, he was supposed to. He was talked to.

CHAPMAN: So what do ya want me to ... can, he can't meet you tomorrow then? He's gonna be in San Diego with DICK WALK. Well, any can he come in anytime? Uh, 12 o'clock would that be good? About 20 minutes you can talk to him.

DORFMAN: Well, it'd have to be later on ...

CHAPMAN: In the afternoon.

DORFMAN: Yeah.

CHAPMAN: How 'bout 4 or 5?

DORFMAN: 'Bout 4, 'cause I'm gonna be leaving.

CHAPMAN: Okay, I'll tell him to see ya tomorrow.

DORFMAN: Okay.

CHAPMAN: Okay.

Date: June 7, 1979

Time: 8:34 p.m.

Parties: RAY LANE, FRANK MAROLDA

LANE: I took care of GLENN SLAUGHTER in Las Vegas today.

MAROLDA: Good.

LANE: He was the number one on the totem pole.

MAROLDA: Uh huh. Is that right?

LANE: Right.

MAROLDA: Well, HANLEY called me twice today looking for him.

LANE: He called me today.

MAROLDA: He did?

LANE: I spoke to him today.

MAROLDA: HANLEY?

LANE: Yeah.

MAROLDA: Oh did ya?

LANE: First time in, I don't know how long.

MAROLDA: What did he want, RAY?

LANE: How's the election RAY? You know you could, you know RAY, whadda you gonna do August the 17th?

MAROLDA: Yeah.

LANE: You know.

MAROLDA: Yeah.

LANE: How do you go, you know, whadda you gonna do, you gonna, you know, you plea the capital, you pled guilty, do you, you goin' to jail? I said no way ED, you don't go to jail until your last appellate rights are through.

MAROLDA Right.

LANE: Or when ya, you know, after your last appellate rights, then ya go to jail.

MAROLDA: Yeah.

LANE: Not before. He said well you better check that out RAY, I said I'm gonna check, I don't know why he called, he didn't call me on that.

MAROLDA: What did he call you for?

LANE: I was with SOL all morning.

MAROLDA: Huh.

LANE: I was with SOL.

MAROLDA: I read you ...

LANE: Mr. A's second man in charge.

MAROLDA: I read you ...

LANE: From 7 o'clock in the morning till about 12.

MAROLDA: Yeah. I read you.

LANE: I'll tell ya when I see ya.

MAROLDA: Yeah, I wanna see ya tomorrow because, uh, uh, HANLEY is, I had a talk with HANLEY, he said I tried, I been trying to get ahold of ya FRANK, I said I've been givin' depositions. For who? I said the Right to Work. He said what for?

LANE: Yeah.

MAROLDA: I said well I've tried to try these people internally and I said they put a temporary restraining order, now I got a permanent restraining order ...

LANE: Whadid he say?

MAROLDA: I'm goin' to trial on it. So he said how ya doin'? I said I'm doin' good ED, he said, how, how's the appeal goin'? I says good, real good. So he says what is this I here about CRANE? I said what, whadda you hear? He says you're gonna sue 'em. I said ED, he didn't do me right. He didn't do me right. I says he forgot a very simple thing, discovery. He says you gonna sue 'em, I said I've been contemplating it, yes.

LANE: (Laughing)

MAROLDA: He says well, he says, I think you oughta think twice about it, you know, we recommended him FRANK. I said you did? He said yes. He said how much does he owe ya? How much do ya owe him? I said I think I overpaid him ED. I said ...

LANE: (Laughing)

MAROLDA: I wrote him a letter saying I overpaid him and that, uh, uh, I'm considering getting a rebate.

LANE: (Laughing)

MAROLDA: So he says, well, no, pay him the 12,000 you owe him. I said how am I gonna pay him.

LANE: He said what?

MAROLDA: He said pay him the 12 ...

LANE: Oh ...

MAROLDA: I said how am I gonna pay him, I don't have it to pay.

LANE: Yeah.

MAROLDA: He said well do you have approval of the Executive Board. I said sure I do, I say, but I don't have the money in the treasury.

LANE: Whadid he say?

MAROLDA: I'm busted.

LANE: Whadid he say?

MAROLDA: I'm broke.

LANE: What did he say to that?

MAROLDA: He said you're broke? I said yeah, we're broke. He said how many members you got? I said we got, uh, 4,000 members, but we're broke.

LANE: Whadid he say?

MAROLDA: He said well I wanna see ya. I said well fine ED, I said, uh, I'm kinda busy, uh, I said where ya gonna be this weekend, and he said I'm gonna be in Chicago, then I'm goin' to Cincinnati, I said well I have to be, I'm goin' to Chicago myself ED. So I have breakfast with him Sunday morning.

LANE: This coming Sunday?

MAROLDA: Yeah, in Chicago.

LANE: I thought he called me on the merge tonight. That's what I thought he called me on.

MAROLDA: Yeah.

LANE: But it wasn't, and, and I, I never mentioned it.

MAROLDA: Yeah.

LANE: They told me he's goin' paranoic and he don't even trust them.

MAROLDA: Yeah.

LANE: And they made him the GP.

MAROLDA: I know it. Well he asked me, he says, uh, when do you think you go before the judge, I said sometime this fall ED, I said I don't know ED. I said but it's all in.

LANE: Yeah.

MAROLDA: I said would ya like a copy of all my stuff? He said yeah, he says, uh, mail it to me, I says where, he says Cincinnati. I said I'll even do one better, I'll hand it to ya when I see ya Sunday.

LANE: Good for you.

MAROLDA: Fine, he said, but I can meet you Saturday FRANK, I said no, I can't meet you Saturday ED because I got a ballgame, and I said I don't know what time I'm gonna fly out and, and I said I don't wanna (Unintelligible)

LANE: He's very paranoic.

MAROLDA: Yeah.

LANE: They told me today he's ready to crack.

MAROLDA: Is that right?

LANE: They said he's ready to fold.

MAROLDA: Is that ...

LANE: They apologized to me and I told 'em about you and I and they apologized.

MAROLDA: Yeah.

LANE: I set up California, I'll talk to you about it tomorrow.

Date: June 12, 1979
Time: 8:54
Parties: JOE LOMBARDO, ALLEN DORFMAN

DORFMAN: At one time, somebody, somebody was talking to uh, BEN SCHMOUTZY. Las Vegas Hotel Restaurant Employees in Vegas.

LOMBARDO: Yeah the (Unintelligible) some fucking guy was talking to.

DORFMAN: But he was our guy.

LOMBARDO: He is our guy.

DORFMAN: Well, they submitted their entire quota on the bid.

LOMBARDO: Yeah.

DORFMAN: To administer, administration like we do here.

LOMBARDO: (U) yeah.

DORFMAN: And they never.even sent us a bid.

LOMBARDO: All right.

DORFMAN: Comes up on the 20th.

LOMBARDO: (U) Las Vegas. (U) maybe he don't know that you're in that business.

DORFMAN: He's gotta know we're in the business. He's not an idiot.

LOMBARDO: Well, if, if this fella stays on top of him ...

DORFMAN: (U) by the rest of us.

LOMBARDO: Oh.

DORFMAN: Matter of fact, right after ... you, you had left.

LOMBARDO: Yeah.

DORFMAN: I sent somebody to run after you and you were gone already.

LOMBARDO: I gotta make a phone call. What time is it now? Nine or seven there, huh?

DORFMAN: 9 o'clock. I talked to the little guy. He knows about it.

LOMBARDO: Oh, he knows about it?

DORFMAN: Yeah. He said that's when you left. I says well he had just left. Well, reach him tonight. He says we'll get a hold of him, he he knows who to get a hold of.

LOMBARDO: All right.

DORFMAN: Now, what ever happened on that thing with MILLER? In the hotel restaurant place and those merging of the Locals?

LOMBARDO: Well ... the guy ...

DORFMAN: Now I find out this guy has got about $11 Million in his treasury that he would like to loan out for something.

LOMBARDO: Well.

DORFMAN: So his his uh ...

LOMBARDO: Huh?

DORFMAN: ... this guy LANE.

LOMBARDO: Yeah. LANE. Well, uh, evidently the guy did give a message to whatcha callit ... to uh ...

DORFMAN: You mean HANLEY, (U)

LOMBARDO: HANLEY. HANLEY got the message.

DORFMAN: He got the message and nothing's been done.

LOMBARDO: Nothing's been done?

DORFMAN: No, not lately.

LOMBARDO: Okay.

DORFMAN: RAY LANE has $11 Million in his treasury (U)

LOMBARDO: HANLEY. MILLER, right? MILLER's our guy? LANE's our guy.

DORFMAN: LANE, not MILLER (U) ED HANLEY.

LOMBARDO: Yeah, I got it HANLEY, MILLER, LANE.

DORFMAN: Well, what's MILLER?

LOMBARDO: Huh?

DORFMAN: Take MILLER off. You know, MILLER outbid us.

LOMBARDO: And LANE?

DORFMAN: Yeah. RAY LANE.

LOMBARDO: Yeah.

DORFMAN: That's the guy out of San Francisco. That's the guy that wants to merge with the other Local. That ...

LOMBARDO: In other words, this guy's in 'Frisco, right?

DORFMAN: Right.

LOMBARDO: And he wants to merge to what? What?

DORFMAN: Local 86 up in ...

LOMBARDO: 'Frisco.

DORFMAN: Oakland.

LOMBARDO: 86.

DORFMAN: That'd give him uh, 15,000 member Local Union.

LOMBARDO: Who's, who's, who's the guy in Local 86?

DORFMAN: REINHARDT (ph) (U)

LOMBARDO: But MILLER's the boss out there, right?

DORFMAN: HANLEY's the boss.

LOMBARDO: Yeah, but, then MILLER's the boss of that area, ain't he?

DORFMAN: No, ED HANLEY's.

LOMBARDO: (U)

DORFMAN: ED HANLEY's the boss. He's the International President. I don't even understand his reluctance in permitting these two Locals to merge. It makes no sense at all.

LOMBARDO: Well, the guy got the message to give it to him, I don't fault FITZ (ph) for giving him the message. I will see him in a day or two and I'll reach out and talk to him.

DORFMAN: Now, it's a little late and you only get a a few days to uh ...

LOMBARDO: Well, I could do something. They don't do this kind of work. It, it's got nothing to do with giving eyeglasses. It ain't got nothing to do with putting dent to do with dental work. It's just the administration ...

DORFMAN: The administration of it.

LOMBARDO: (U) gonna phone his house. (U) 458-3557 ...

DORFMAN: (Simultaneously) 458-3557.

LOMBARDO: ... You talk to him about it yesterday?

DORFMAN: Yeah.

LOMBARDO: Where? At the office?

DORFMAN: No. (U)

LOMBARDO: (U)

DORFMAN: Guess he wouldn't have talked to you anyway.

LOMBARDO: Now, I'm gonna tell him go ahead and fix it. We're not involved in it, we got nobody, the only thing that we're involved in, those people, our guys, like glasses, ya mean, and dental work, ya mean, it's a shame, the administration we don't have so what the fuck go ahead, I'll give him the okay to go ahead, ya mean, what the fuck he's worth (U) to do it, ya mean. You (U) it's gotta be done, it's gonna be done before it gets away. (U) I'll send SOL SCHWARTZ out there right away to get him going with this guy, (U) right? Ya mean? Right?

* * * * *

Date: July 26, 1979

Time: 2:15 p.m.

Parties: ABE CHAPMAN, RAY LANE

LANE: Hi, I've been trying to get ya.

CHAPMAN: What happened?

LANE: Nothing, uh, I'll know, uh, what, you mean on the arbitration and that?

CHAPMAN: Yeah.

LANE: I'll probably know tomorrow. It's 90% they said 90%, it'll probably go.

CHAPMAN: Who told you?

LANE: I, I talked, talk to ya in person.

CHAPMAN: Who, HANLEY?

LANE: No, no, no, no, no, no, I'll talk to ya when I see ya.

CHAPMAN: Alright, listen, uh ...

LANE: I got that check for, for ya.

CHAPMAN: Hold it, hold it, uh, HANLEY, uh HANLEY told ALLEN ...

LANE: Yeah.

CHAPMAN: DORFMAN, that everything's gonna be a, uh, that you got it. So when I go in ...

LANE: Yeah.

CHAPMAN: I may fly in Tuesday night, so I can take care.

LANE: Okay.

CHAPMAN: They want me ... wants me to come in on a meeting Wednesday morning.

LANE: Yeah, okay.

CHAPMAN: See if we can go together Tuesday night, 12 o'clock.

LANE: No, we're gonna leave, no ...

CHAPMAN: Alright, we'll talk it over.

LANE: Yeah, we'll talk, where are ya now?

CHAPMAN: I'm over here with, with my friend in Hayward.

LANE: Oh, oh.

CHAPMAN: Alright.

LANE: How do ya feel?

Date: August 19, 1979

Time: 8:26 a.m.

Parties: ABE CHAPMAN, RAY LANE, ELLIE LANE

E.LANE: Hello.

CHAPMAN: Good morning, is the boss sleeping?

E.LANE: No, he's up. Hold on, ABE.

CHAPMAN: Okay.

LANE: Hi. I was just thinking bout you, I just spoke to my brother.

CHAPMAN: Yeah, what did he say, he is gonna, he said he was gonna pray for me.

LANE: Huh?

CHAPMAN: He says I'm gonna go to church, pray for me.

LANE: (Laughing)

CHAPMAN: Did he tell ya?

LANE: (Laughing) Yeah. He said he spoke to you.

CHAPMAN: Yeah, he's such, such a nice guy, ya know?

LANE: Yeah, he said that he wanted ta thank you for all you done and I per- ...

CHAPMAN: I didn't do nothing yet.

LANE: You did enough and I wanna thank ya, ya done more than ...

CHAPMAN: Thank me, go on (Unintelligible) ...

LANE: ABIE, ya did more than any man that ever did for me.

CHAPMAN: Wait a minute, you ain't, I got something, uh, talked to Chicago, last night, ya hear?

LANE: Yeah.

CHAPMAN: Uh, I think you get them papers ready, I think, HANLEY was waiting for this, everybody want ta get rid o' you.

LANE: Uh, I gotta cal- ...

CHAPMAN: Ya hear, not no more. If I get that straightened out, you may wind up with uh, once we get started ta be a vice president (J)

LANE: Okay, let me tell ya what I just did. I called up HANLEY yesterday, he's in Antioch, Chicago? And he wasn't there, I spoke to his wife.

CHAPMAN: Yeah.

LANE: 'Cause, just so they don't get smart or get any wise remarks.

CHAPMAN: Yeah.

LANE: You know, any wise moves. I don't want 'em to know we only got 6 months, I want 'em to think we got years, ya know.

CHAPMAN: Yeah, you don't tell 'em anything.

LANE: I'm not. So I wanted ta call 'em up and just let 'em know what they gave me.

CHAPMAN: Tell 'em everything uh now (U) ...

LANE: And that everything is fine, I got years.

CHAPMAN: Now, lemme tell you what to do. Tell him, uh, in 60 days the judge is setting everything aside, it's only for the front he has ta do it.

LANE: I'll handle it, I'll handle it.

CHAPMAN: You know what I mean?

LANE: I know. I'm gonna, I wanna handle HANLEY, I just want, in case any wise guys think they're gonna try ta get the union.

CHAPMAN: All right, here's what I want you to do.

LANE: How do you feel? I spoke ...

CHAPMAN: Okay. Tomorrow ...

LANE: FRANK and I, have agreed on the, uh, dental.

CHAPMAN: And how about Health and Welfare?

LANE: One, one at a time.

CHAPMAN: Okay, we need the Health and Welfare.

LANE: All right. We've done that. And then not only that, he's agreed on the merge, if, once I get a hold o' HANLEY today, if I get HANLEY today, you know, just 'cause FRANK worries about HANLEY, I said HANLEY's not gonna do nothing. Don't worry about HANLEY, but he's worried about HANLEY, so I said look, I'll call HANLEY and tell him that everything is ...

CHAPMAN: Here's what you do tomorrow, when we get together we call Chicago, ya hear?

LANE: Yeah.

CHAPMAN: And give, uh, you got HANLEY's number?

LANE: Yeah.

CHAPMAN: And I'll give it to SOL, uh, ALLEN right away.

LANE: Yeah.

CHAPMAN: Ya hear?

LANE: Well lemme get to HANLEY first and tell 'em everything's fine.

CHAPMAN: Alright, you talk to HANLEY and me and you get together, and now, I wanna ask you something.

LANE: Go ahead.

CHAPMAN: Uh, you know the, the furniture I got, you need a office you know ...

LANE: Right, right.

CHAPMAN: For all then insurance for everything and (U) ...

LANE: I know, I know.

CHAPMAN: Can FRANK buy the, the uh, can FRANK buy the, the furniture for the office? For his office (U)

LANE: Oh, he don't need it, he, he is so short o', he is so short o' money there, FRANK.

CHAPMAN: Oh, well, it's no good. (U)

LANE: He is absolutely, you know, he is down to 10 people on the payroll.

CHAPMAN: Oh my god.

LANE: He is so broke in his union.

CHAPMAN: Yeah, look, if we get a (U) ...

LANE: See, HANLEY lied to him, HANLEY was supposed to help him with money and finances and attorney fees and he didn't help him.

CHAPMAN: Wait a minute. We'll help him. Tell him not to worry. (U)

LANE: I told him not to worry.

CHAPMAN: Wait a minute, once we get started when TOM is ...

LANE: I know, I know, I spoke to FRANK.

CHAPMAN: I will pick it up.

LANE: I spoke to FRANK yesterday, he was over DEE's house, we spoke ...

CHAPMAN: I know, I called you 3 times.

LANE: Yeah, we spoke for hours.

CHAPMAN: What happened with, uh, TOM, did you talk to TOM?

LANE: I've no reason to, nothin' to deliver yet.

CHAPMAN: All right, wait a minute.

* * * * *

Chairman **Roth**. At this time, I would like to swear in the witness and proceed with the questioning. I would first ask if Senator Rudman has any comments?

Senator **Rudman**. I don't have any opening statement, Mr. Chairman.

Chairman **Roth**. Mr. Hanley, please rise and raise your right hand.

Do you swear the testimony you will give before this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. **Hanley**. I do.[1]

TESTIMONY OF EDWARD T. HANLEY, GENERAL PRESIDENT, HOTEL EMPLOYEES & RESTAURANT EMPLOYEES INTERNATIONAL UNION, ACCOMPANIED BY ROBERT J. ROTATORI, ESQ.

Chairman **Roth**. Please be seated.

At this time, I would ask that counsel identify himself.

Mr. **Rotatori**. Robert J. Rotatori.

Chairman **Roth**. You are admitted to practice where?

Mr. **Rotatori**. State of Ohio, the 6th Circuit Court of Appeals, U.S. Supreme Court.

Chairman **Roth**. Mr. Hanley, I would like to begin with a few questions of general union policy. We have received quite a bit of testimony regarding the merger of local unions. Could you explain the international union's basic policy concerning mergers? For instance, when are they appropriate to use?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman **Roth**. You cannot answer any question whatsoever about the policy of mergers?

Mr. **Hanley**. Based on the advice of counsel.

Chairman **Roth**. What about trustees, when are they appropriate?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman **Roth**. Does this basic policy change when the local election has recently taken place and a trustee would result in an overturning of the election results?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman **Roth**. Well, Mr. Hanley, I am concerned. You are president of the international union; is that correct?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman **Roth**. Mr. Hanley, it is hard for me to understand how questions of general policy are questions that you cannot answer on the grounds that it will incriminate you.

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[1] The testimony of Edward T. Hanley reflects the reporter's official transcript, with minor corrections for spelling.

As president of the international union, do you have a fiduciary responsibility to discharge not only in serving the members of that union, but in testifying in answer to legitimate questions before a committee of Congress?

Mr. HANLEY. Senator, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator RUDMAN. Would the chairman yield for one moment?

Chairman ROTH. Yes, I will be happy to.

Senator RUDMAN. Mr. Rotatori, you are counsel to Mr. Hanley personally?

Mr. ROTATORI. That's correct.

Senator RUDMAN. Do you represent the union?

Mr. ROTATORI. No, I do not.

Senator RUDMAN. What is the nature of your practice?

Mr. ROTATORI. I guess I would categorize myself as a general practitioner with specialization in Federal criminal law and constitutional law.

Senator RUDMAN. So you practiced Federal criminal law as well as, I assume, State criminal law in the State of Ohio?

Mr. ROTATORI. Yes, Senator, I was the former chief assistant U.S. attorney; former employee of the Department of Justice here in Washington.

Senator RUDMAN. What year was that, Mr. Rotatori?

Mr. ROTATORI. I was with the Department of Justice here in Washington in the early 1960's.

Senator RUDMAN. Mr. Rotatori, that being the case, and you are counsel, you are certainly not under oath, and there are no questions I will ask you that would even impinge on the necessity to have an oath, you must be aware of three very important cases in this field—*Hoffman* v. *the United States*, which is a 1951 case, in that case, the U.S. Supreme Court said that the witness can only invoke his privilege if there is a realistic possibility that his answer can be used in any way to convict him of a crime.

Are you familiar with that case?

Mr. ROTATORI. I am familiar with the *Hoffman* case.

Senator RUDMAN. The second case is *Zicarelli*—which is a very recent case—v. *the New Jersey Commission on Investigations*; that is a 1972 U.S. Supreme Court case. That says that the privilege protects against real dangers not remote and speculative possibilities. Are you familiar with that case?

Mr. ROTATORI. Yes, I am.

Senator RUDMAN. A recent case, a DC circuit case, which really restates the law as most criminal lawyers understand it, that is the *Corrugated Container* case, in which that case says the risk of prosecution must be substantial and real, not really fanciful. Are you familiar with that case?

Mr. ROTATORI. I am familiar with those cases.

Senator RUDMAN. Mr. Rotatori, if you are familiar with those three cases, which essentially say, to put it simplistically but directly, that the amendment cannot be used unless there is, (*a*), a risk of prosecution, something more than a remote possibility of prosecution and, further, that it can't be fanciful, I don't understand the witness' present statement to the chairman on questions that were obviously policy questions, nothing doing with Mr. Hanley personally. Can you tell me the basis of your advice to him, because it seems to me we may well be heading down a long road in this particular hearing, and I would like for the record to understand the character of your advice to Mr. Hanley. I am not criticizing Mr. Hanley for following your advice; I am asking you the character of that advice, if you could tell us that for the record.

Mr. ROTATORI. Senator, you are not asking me to divulge communications between an attorney and client, are you, sir?

Senator RUDMAN. Absolutely not. I certainly wouldn't do that; no. I want to know the basis of your advice.

Mr. ROTATORI. I can't respond as to what the advice was then because it is obviously a communication.

Senator RUDMAN. We know what the advice is; the advice is for Mr. Hanley to take the fifth. We figured that out already. My question is based on those three cases. I want to understand the character of the advice, not any communications to Mr. Hanley.

Mr. ROTATORI. Senator, there is one case, *United States* v. *Blau*. I can't remember the citation or the year.

Senator RUDMAN. I know the case.

Mr. ROTATORI. Simply put, to call upon an individual or a lawyer to state the basis upon which he is exercising his privilege is to do away with the very reason for the privilege.

If I tell you why I advise Mr. Hanley to invoke his privilege, I am, in effect, doing away with the very reason that that privilege was created.

Senator RUDMAN. So your answer, I guess, if I understand your answer, is you are aware of these three cases. Let me ask you this, Mr. Rotatori. Is there, in your view, any possibility that the two initial questions asked by the chairman were anything other than policy questions and only remotely could affect Mr. Hanley personally; is there any argument about that?

Mr. ROTATORI. No, I don't believe that at all. From my study of the proceedings of this committee, I do not believe that response to those questions and a response to further questions along those lines would have a remote effect upon Mr. Hanley. If I believed that, I wouldn't have given him the advice that I did.

Chairman ROTH. Is there any question relating to his position as president of the union or with respect to the union, that you would advise him he could answer?

Mr. ROTATORI. I really wouldn't know that, Senator, until I heard the question. Certainly, any questions with regard to the subject matter of this committee's investigation over the last 3 years, I think, would require implication of the privilege.

Chairman ROTH. Any question related to the purpose of this investigation you say would be covered by the privilege?

Mr. ROTATORI. The subject matter covered by this committee in its long investigation over the 3 years.

Chairman ROTH. Let me ask Mr. Hanley again, are you president of the International Union of Hotel Workers & Restaurant Employees?

Mr. HANLEY. Senator, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. This is a matter of public knowledge, isn't it, Mr. Hanley?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. I am going to overrule that and direct you to answer that question.

[Witness conferring with counsel.]

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Hanley, where do you reside?

[Witness conferring with counsel.]

Mr. HANLEY. Senator, I reside at 21515 West Highway 173 in Antioch, IL.

Chairman ROTH. And what is your occupation?

[Witness conferring with counsel.]

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Let me go back and ask you some basic policy questions. Could you explain the international union's basic policy concerning mergers of local unions?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Well, Mr. Hanley, I am going to object to that and direct you to answer my question.

[Witness conferring with counsel.]

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. What sort of policy and criteria are used by the international union in hiring——

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. What sort of policy is in effect regarding the merger of other international unions of the Hotel Workers?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Hanley, let me ask you this question. What do you believe are your fiduciary responsibilities as general president of the Hotel Employees & Restaurant Employees International Union, both to the union and its members?

[Witness conferring with counsel.]

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Hanley, are you familiar with the statement issued several years ago by George Meany as head of the AFL-CIO in which he said that:

> We recognize that any person is entitled in the exercise of his individual conscience to the protection afforded by the fifth amendment. We reaffirm our conviction that this historical right might not be abridged. It is the policy of the AFL-CIO, however, that if a trade union official decides to invoke the fifth amendment for his personal protection and to avoid scrutiny by proper legislative committees, law enforcement agencies or other public bodies into alleged corruption on his part, he has no right to continue to hold office in his union. Otherwise, it becomes possible for a union official who may be guilty of corruption to create the impression that the trade union sanctions the use of the fifth amendment not as a shield against a matter of individual conscience, but as a shield against proper scrutiny into corrupt influence in the labor movement.

Are you familiar with that statement issued by Mr. Meany before this subcommittee many years ago?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Hanley, you heard the statement read by me and understand it; is that correct?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Would you agree that this is a proper statement of policy for union leadership?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Hanley, this is a statement that has been issued by the former head of AFL-CIO. I really don't see on what possible basis that could, in and of itself, incriminate you, and I direct you to answer whether or not you agree with the statement.

[Witness conferring with counsel.]

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Weiland, I will ask you to proceed. Senator Rudman, do you have some questions?

Senator RUDMAN. Thank you, Mr. Chairman. Mr. Rotatori, let me just advise you when this subcommittee meets, it is my view that your client's response to the chairman's questions, a number of questions, particularly the last one, is right on point as being frivolous and offers only a remote possibility.

Frankly, I think Mr. Hanley is opening himself up to other legal complications which he might not otherwise have. I wonder whether or not you might like a very brief recess to rediscuss this with your client as to whether or not on matters which are absolutely remote to any question of criminality on his part and understanding the waiver of cases as they exist, whether or not you might like to reconsider Mr. Hanley's taking the fifth amendment privilege to a number of the chairman's questions?

[Witness conferring with counsel.]

Mr. ROTATORI. I don't think a recess is necessary, Senator. I appreciate the offer.

Senator RUDMAN. Having been on the other side of this table in my life, I thought maybe you might like to reconsider now knowing the nature of some of these questions and whether or not you might like to rethink that with your client in privacy. I am making that offer to you, and I would ask the chairman to honor it if you would accept it. Are you telling me you do not wish to discuss this with your client, considering the nature of these questions you have now heard?

Mr. **Rotatori**. I don't believe it is necessary at this time.

Senator **Rudman**. All right. Mr. Chairman, I am going to ask that when we finish this that we have a very early meeting of this subcommittee because this is outrageous, as far as I am concerned. I also practiced criminal law, as the chairman knows, and I also think a statement that was furnished by this union is particularly outrageous in light of what we now hear for these answers.

Here is a release, Mr. Chairman, dated May 15, put out by the union, accompanied by a resolution of the general executive board of the union which says, amongst other things, Mr. Chairman, about this subcommittee that we relied on unauthorized leaks and innuendos, as well as the testimony of convicted felons, admitted perjurers, psychopathic liars, and thoroughly discredited witnesses against the union and its leaders; that we attempt to create a false impression about this union by the use of questionable witnesses; we placed the union officials in positions where they had little choice but to assert their privilege under the fifth amendment; that we have been assisted by such notorious antiunion publications as the Reader's Digest.

[The material referred to follows:]

HOTEL EMPLOYEES & RESTAURANT EMPLOYEES INTERNATIONAL UNION RESPONDS TO SENATE SUBCOMMITTEE INVESTIGATION

The General Executive Board of the Hotel Employees and Restaurant Employees International Union, AFL–CIO [HERE] has issued a report calling into question the current investigation of the Union being conducted by the Senate Permanent Subcommittee on Investigations.

Upon issuing the report, the Union's General Executive Board passed a resolution declaring that the Subcommittee was:

(1) Relying upon unauthorized "leaks" and innuendo, as well as the testimony of convicted felons, admitted perjurers, psychopathic liars, and thoroughly discredited witnesses, against the Union and its leaders;

(2) Attempting to create the false impression that the Union, which has a 91 year history of representing hotel employees and restaurant employees in the United States and Canada is under "mob" influence; and

(3) by the use of questionable witnesses, placing union officials in a position where they have had little choice but to assert their Fifth Amendment privilege against self-incrimination, and then condemning them for doing so.

The Union's General Executive Board declared that the Subcommittee's staff has assisted such notorious anti-union publications as the Readers Digest in publishing articles unfavorable to the Union and has embraced the ranks of the new crop of "union-busting" consultants and attorneys, such as Subcommittee witness Joel Keiler, in attempting to undermine the labor movement as a whole.

The Resolution pointed out that two of the Subcommittee's principal witnesses, namely, Keiler and Joseph Hauser, a paid Government informer, were characterized to the Subcommittee by AFL–CIO President Lane Kirkland in a September 9, 1983, letter to Subcommittee Chairman Roth as being "utterly unworthy of belief." In his letter to Senator Roth, President Kirkland added that Messrs. Hauser and Keiler's "testimony before the Subcommittee should not be credited." (A copy of the Kirkland letter is attached.)

The Union's report documents the foregoing charges and also responds to Subcommittee claims regarding mergers of HERE Local unions and employee benefit plans.

The Union's report also deals with the improper use by a former Subcommittee staff member, David Faulkner, of a report concerning HERE that the Justice Department has refused to release under the Freedom of Information Act. Faulkner, an FBI employee, read certain portions of the report into the Subcommittee record which alleged that HERE had ties to organized crime. The Justice Department had refused to provide the report to the Subcommittee.

Senator RUDMAN. It just seems to me that with these kind of accusations that we ought to have an early meeting of this subcommittee. I want to say to Mr. Hanley that I, for one, was anxious to hear your testimony this morning. There were some problems with some of the prior witnesses, as far as I am concerned. I am not sitting here testifying to their veracity. They may have perjured themselves, but it seems to me that to feed this to the press and make these accusations and then you are the best evidence available to refute these charges that were made against you personally, to come here today and take the privilege on questions which are remotely—remotely—involved with anything that you might have done criminally, as alleged by some of your former friends and associates—at least they said they were—is the height of arrogance.

And, Mr. Rotatori, I would say to you that, as I understand the law, I am going to press this subcommittee to take further legal action against your client. Mr. Chairman, as far as I am concerned, it probably is not much more useful to continue this hearing. I leave that to the chairman.

Chairman ROTH. We have a few more questions we would like to propound.

First, I would just like to point out that we think this is abuse, an abuse of a very, very important constitutional right and, as the earlier cases have pointed out, the right of not answering on grounds of self-incrimination has to be on grounds that there is some reasonable chance of prosecution. It cannot be some very vague implication. Yet, it has become clear today that you are not going to answer any of the questions that are properly before this subcommittee. This is not only improper, as the distinguished Senator Rudman has pointed out, who is a former attorney general, it prevents us from handling in an orderly way the matter being investigated by this subcommittee.

Not only does it violate our rights of investigation, but it is a violation of your fiduciary duty, of your fiduciary duty as set forth very eloquently by the former head of AFL-CIO.

I can assure you, Mr. Hanley, as well as members of this subcommittee, that we are going to pursue this matter. We are not going to let it lie here. Now, I would just like to ask you a few more questions.

As you know, we have been concerned about international union domination of locals through mergers and trusteeships. Have you ever told Jeff McColl, the Las Vegas local union leader, you would "pull the local 226 charter if he capitulated to demands that the health and welfare funds return to Vegas for local control"? This was reported in the Valley Times on March 28, 1984. Is that true?

Mr. HANLEY. Senator, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman ROTH. Mr. Hanley, are you familiar with the charge? Do you have any knowledge of it whatsoever?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

[The newspaper article referred to dated March 28, 1984, in the Valley Times follows:]

[From the Valley Times, Mar. 28, 1984]

AS WE SEE IT—TRAPPED CULINARY CHIEF MUST LEVEL WITH MEMBERS

From all outward signs, thousands of Culinary union members, but certainly not all of them, are prepared to strike a number of major Las Vegas resorts after their current contract lapses at midnight, April 1.

But is it absolutely necessary that they walk off their jobs?

The answer, as we see it, is a resounding "no."

There has been some movement in the negotiations between the Culinary and representatives of the Nevada Resort Association acting in behalf of the hotels.

Granted, the progress made thus far has been slim.

Jeff McColl, the Culinary chieftain, terms the latest concession of the hotels, an additional 55-cents per hour for the health and welfare fund over the next five years, "totally unacceptable."

That it may be. But at least it indicates some movement.

And, as long as the two sides are talking, what's to be gained from striking?

Unfortunately, we fear that rank and file members of the Culinary either have not been told, or fail to understand, that the days when the hotels gave the union everything but the kitchen sink are over.

Times have changed. The pendulum has swung the other way.

Ask Dick Thomas and his Teamsters union.

Ask Bob Fox and his Operating Engineers.

Ask the pickets who have paraded in from of the Golden Nugget for nearly a year.

The resort industry virtually gave away wage increases and benefits—all sorts of them—when Las Vegas was in its heyday and tourism was at its peak during the regime of the late Culinary boss Al Bramlet.

It's not totally accurate to say that gaming industry owners and executives of that era didn't exactly care what they had to do to buy labor peace. But that's not far off the target.

Now, still reeling from the worst recession this town has ever felt; after suffering enormously high interest payments for construction and expansion loans, being forced to spend millions of dollars on retrofitting, facing the toughest tourist competition ever, watching a number of resorts go under or verge of it, the majority of Las Vegas hotel operators are determined to stand their ground and even fight for rollbacks from the union.

We recognize that Jeff McColl is in the midst of a tough union reelection battle.

So, he has to talk tough and sound even tougher than would normally be expected in these critical days before the contract lapses.

Be that as it may, Mr. McColl probably has done both himself and his members a terrible disservice.

He hasn't leveled with them and told them this isn't their year. He hasn't explained what he and they are up against this year.

Mr. McColl is a man trapped in a four-way tug of war.

He has two candidates for his office pounding him daily.

He has rank and file union members to satisfy. They want the health and welfare program returned to local control.

He has International Culinary Union President Ed Hanley on his neck warning him that he'll yank the union's local charter and take it over if demands to return the health and welfare administration to Las Vegas gets out of hand.

And finally, he must deal with management in a year that belongs to it and when the union really has no cards to play.

Oh, but he has the strike—the ultimate weapon.

Yes, he does.

But if Mr. McColl takes his union out now, it could spell his defeat as head of the union, and even mean the downfall of the union itself.

Dare he risk a prolonged strike?

Can he win reelection if hundreds or even thousands of his members are pounding the pavement on union election day a month into the strike? That's doubtful.

Will he be able to hold his members together for a strike of four weeks, or even three weeks?

Can he possibly risk the public outrage that will be directed at the union, rather than the employers, if there's violence, if tourists are scared away, if the entire economy goes sour because of a strike?

Contract or no contract, Mr. McColl, the union, the hotels, the town—all are better off if the talks continue and rank and file Culinary stick to their jobs as long as the two sides continue to meet.

In the meantime, Mr. McColl must level with his members. He must tell them up front, like it is—that this just is not their year.

Chairman **Roth**. I am going to ask Mr. Weiland, the staff director, to proceed with the questions.

Mr. **Weiland**. Picking up on the issue you just raised, Mr. Chairman, and from a line from your opening statement, as you have said, we are in possession of public record information of wiretaps which were introduced in evidence in the recent Federal criminal trial in San Francisco. One of those conversations has to do with Mr. Allen Dorfman and Sidney Korshak discussing possible merger of two hotel workers locals on the west coast. We have attempted to talk to Mr. Korshak. He has told us through his counsel that he would invoke his fifth amendment privilege.

We have a question at the staff level, though, Mr. Chairman, relating to this conversation where Korshak tells Dorfman April 19, 1979, that he is going to meet with Mr. Hanley and discuss the possibility of a merger. Specifically, Korshak says: "I'll find out. He"—meaning Hanley—"told me, for your information, that he had a meeting last week with Fitz and Andy was there and he got into a big argument with Fitz."

Mr. Hanley, did you, in fact, have a conversation with Sidney Korshak about merging hotel workers locals?

[Witness conferring with counsel.]

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. Would you give the same answer to a question relating to whether you know Sidney Korshak?

Mr. **Hanley**. Yes.

Mr. **Weiland**. Did you know Allen Dorfman before he was murdered?

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. As you know, Mr. Hanley, we have heard evidence relating to a possible association between yourself and Mr. Anthony Accardo and also Joseph Auippa of Chicago. Let me ask you, do you know either of those gentlemen?

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. We had hoped to have Mr. Accardo here this morning. I know the chairman has some things to say about that shortly, but we have heard testimony from Mr. Joseph Hauser relating to an alleged association between yourself and Mr. Accardo. Do you know Joseph Hauser?

Mr. Hanley. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. Weiland. Let me go back to you, Mr. Rotatori. In response to a question from the chairman, I believe you said you were not prepared to indicate that a blanket invocation of the fifth amendment would be made this morning. You said, I think: "I wouldn't know that until I heard the question."

Is that still your position? Should I proceed, or are we to the point of a blanket invocation?

Mr. Rotatori. I think my statement to the chairman was my advice to my client would be to invoke the privilege with regard to any question dealing with the subject matters of this committee's investigations over the last 3 years.

Obviously, if you ask him what time of day it was, he would answer that question, at least I would advise him to.

Chairman Roth. Isn't that a blanket refusal to answer any question whatsoever about union affairs and Mr. Hanley's role as union president?

Mr. Rotatori. With regard to the subject matters touched upon in the record of this subcommittee's proceedings over the last 3 years, I would say that's correct, sir.

Chairman Roth. So it is blanket refusal with respect to any question concerning union activities?

Mr. Rotatori. No, I would not say it is a blanket——

Chairman Roth [interposing]. Why can he not answer the question? It is publicly known he is president of the international union.

Mr. Ratatori. Again, Senator, if I were to relate to this committee why my client invokes his fifth amendment privilege, I would be doing away with the very reason why the privilege was created.

Chairman Roth. In substance, as far as I am concerned, an answer to my question, as well as to Senator Rudman and Mr. Weiland—you have refused to answer any question anyway related to the union, and I just think it publicly should be known that is not satisfactory to this subcommittee. Blanket refusals to answer based upon the privilege against self-incrimination are not acceptable, according to the *General Dynamics* case.

I want to say, again, that this is a matter that is going to be promptly pursued to whatever legal remedies are available. I want to give you further opportunity to reconsider, and I would ask Mr. Weiland to proceed with his questions.

Mr. Weiland. Mr. Hanley, the problem we have is we have looked very closely at the union for a long period of time. I am afraid anything having to do with the union is arguably something that has come under the ambit of the subcommittee's investigation. Let me ask you about some people on the payroll of the international union, because that also is a matter of public record through forms filed with the Department of Labor.

Is it true that the international union has on the payroll a movie actor by the name of Paul Burke, and also an attorney by the name of Carl Walsh?

[Witness conferring with counsel.]

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. We also are aware through public record information that Mr. John Lardino of Chicago has been on the payroll of the international and off periodically. Mr. Lardino invoked the fifth amendment before this committee something like 50 times in 1957. Do you know Mr. Lardino?

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. Are you familiar with a loan from the international union to S&R Investment Co.?

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. Did you receive any kind of remuneration in connection with that loan?

Mr. **Hanley**. Mr. Weiland, based upon the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Mr. **Weiland**. Mr. Chairman, I don't know if you wish to proceed. There are just numerous other areas we could get into, and we hoped to be able to get into, with the witness. I can perhaps outline them.

Chairman **Roth**. I would just like to ask one further question reported in the Valley Times, where on March 28, it is quoted that:

> Mr. McColl is a man trapped in a four-way tug of war. He has international culinary union president Ed Hanley on his neck warning him he will yank the union's local charter and take it over if demands to return to health and welfare administration to Las Vegas get out of hand.

Did you make any such threat directly or indirectly?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Chairman **Roth**. Senator Rudman.

Senator **Rudman**. Mr. Hanley, are you a member of the executive board of the AFL-CIO?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator **Rudman**. Mr. Hanley, what is your salary in connection with this union?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator **Rudman**. Mr. Hanley, how many members are there in this union?

Mr. **Hanley**. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator **Rudman**. Mr. Hanley, are you presently involved in negotiations attempting to settle the strike of workers in Las Vegas?

[Witness conferring with counsel.]

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator RUDMAN. Mr. Hanley, how long have you been affiliated with the union that we presently have under consideration?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator RUDMAN. Mr. Hanley, would you give us your employment history for the last 20 years?

Mr. HANLEY. Senator, based on the advice of counsel, I respectfully decline to answer in that an answer might tend to incriminate me.

Senator RUDMAN. Well, Mr. Chairman, Mr. Rotatori can call this anything he wants to call it. It is a blanket refusal to answer all questions. It is in total violation of the law, as I understand it. From my point of view, we have established a record, particularly with some of these questions that I wanted to establish if he took the fifth amendment, which he has, and as far as I am concerned, Mr. Chairman, I see no useful purpose in continuing this.

Chairman ROTH. Mr. Hanley, I agree. I think it is clear that you are not going to answer any questions. It is a blanket refusal. I can assure you and your counsel that this subcommittee is not going to let this go without taking appropriate action. It is important that we have cooperation from our witnesses when they appear before us. We respect and understand the rights in pleading the fifth amendment, but as the courts have already shown, it cannot be used in such a fashion as to give a blanket refusal as is the case today.

I want to make it very clear in dismissing you that you are not being excused from the subpoena. You can expect to be called at some future time depending on the action taken by the subcommittee. The witness is excused.

[The following material was submitted for the record:]

[From the New York Times, May 5, 1984]

HILTON PACT AIDS SUSPECT UNION FUND

(By Wallace Turner)

LAS VEGAS, NV, May 4.—The two Hilton hotels here agreed Thursday night in a contract accord marking the first major break in a 32-day strike of resorts here, to double their contributions to a nearby insolvent union welfare fund that a Senate subcommittee is investigating for a suspected diversion of money to organized crime figures.

Joe Hayes, president of Culinary Workers Local 228, said there were no indications of quick settlements at the 30 other places struck. About 17,000 culinary workers, bartenders, maids, casino change girls, musicians and stagehands struck the resorts April 2. The 3,000-workers at the Hiltons began returning to their jobs this morning.

The two Hilton hotels were union targets from the start of the strike. As an example of the pressures available to the union for use against Hilton, demonstrators appeared two weeks ago at the San Francisco Hilton to call attention to the Las Vegas strike. The San Francisco Hilton will be the headquarters hotel for the Democratic National Convention in July, and picket lines there could have a disastrous effect.

LEADER'S TESTIMONY DELAYED

A key issue in the strike by Local 226, the largest local of the Hotel Employees and Restaurant Employees International Union, is employers' refusal to increase their payments to rescue the local's welfare fund, which is controlled by the international union. The resort strike hit the international union, which has put major emphasis on the strike in the face of declining membership, just as the Senate Permanent Subcommittee on Investigations' two-year inquiry on the union was nearing its climax, testimony from the union president.

Twice since the strike began, the subcommittee has delayed its subpoena requiring testimony from Edward T. Hanley, general president of the union.

Last September, when illness prevented Mr. Hanley's first scheduled appearance, his lawyer, Robert J. Rotatori, told the subcommittee that Mr. Hanley "would have invoked his Constitutional privileges under the Fifth Amendment to the United States Constitution and refused to answer questions."

Mr. Hanley and Anthony J. Accardo, identified by the subcommittee as leader of organized crime in Chicago, were then scheduled to appear April 24, and rescheduled May 1. Delays were granted for Mr. Accardo, who said he was ill, and Mr. Hanley, who cited the press of duties in the strike here.

They are among a number of union and reputed organized crime figures called before the subcommittee for questioning about a substantial portion of welfare funds the senators believe was funneled through the union's dental plan to people tied to organized crime.

FEW HAVE ANSWERED QUESTIONS

Only one of nine international union officials asked to testify has answered questions, subcommittee records show. Others declined to answer on self-incrimination grounds although some then were granted immunity from prosecution and required to answer.

Subcommittee records show that a half dozen people it identified as members of organized crime have either refused to answer on grounds of self-incrimination or said they would not answer and so were not subpoenaed.

Paul Jackson, an actuary retained to advise the subcommittee, testified that the union dental plan was spending $3 million a year without proper controls and that a big chunk went for something besides dental care.

William Meyers, whose company at Naperville, Ill., administers the health and welfare plan for a fee, disputed with subcommittee members an assertion they made that 40 percent of the fund was used in administration. His company gets 6.5 percent, he said. If money is missing, he said, it did not go for administration.

"But we don't disagree that you have determined that the dental plan is giving some of the money we give them to somebody else for not doing any work," Mr. Meyers told the subcommittee.

THE PLACE FOR A UNION STAND

The international union appears to have decided that the Las Vegas strike is the place to stand and fight an eight-year decline in union membership, to 380,000 members from 448,000. While membership held steady at about 26,000 here, the Reno local has lost 8.0 percent of its members in that period. The union has imported experienced strike organizers from other cities, is paying a $50 weekly strike benefit and is subsidizing a food distribution plan.

Picket line interviews show that many of the Local 226 members are the marginally employable recent immigrants from Latin America or Southeast Asia, or women in late middle age, or other sorts of people who are the classic beneficiaries of trade unionism.

Management spokesmen for the 32 places that were struck say they are defeating the workers. The resorts say they successfully handled their shares this week of a 40,000-person convention of the American Broadcasters Association. Nonunion workers have been hired to fill the vacated jobs.

CONCESSIONS AND GAINS

Management negotiators are seeking concessions from the workers, who both union and management sources say have enjoyed some of the contracts most favorable to workers in the nation. The union has resisted surrendering any advantages it now holds as well as asking for more welfare fund money.

In the Hilton settlement, workers agreed to changes that will permit the Las Vegas Hilton and the Flamingo Hilton to use employees interchangeably in related jobs. Henri Lewin, executive vice president of Hilton hotels in Nevada, and Mr. Hayes of Local 226 said the hotels gave workers an additional $1.46 an hour, of which 37 cents an hour per employee will go to the welfare fund this year. In each of the succeeding three years of the contract 10 cents will be added.

Under the prior contract, the fund received 37 cents per hour per employee. The employer contribution of 45 cents per hour per employee to pensions remains unchanged.

The Senate subcommittee began its investigation of the union after the Justice Department designated the hotel employees union as racket-dominated.

SELF-INCRIMINATION CITED

An attorney and three dentists involved with operation of the local's dental care plan are among the witnesses who, the subcommittee records show, refused to answer questions on grounds of possible self-incrimination.

Ben Schmoutey, who was secretary-treasurer of Las Vegas Local 226 from 1977 until 1981 when he was defeated for re-election by Jeff D. McColl Jr., appeared under subpoena on Sept. 20, 1983. He refused to answer questions until the subcommittee gave him immunity.

Mr. Schmoutey became Local 226 secretary-treasurer after the murder of Elmer (Al) Bramlet, who founded the local in 1950 and ran it until 1977.

The subcommittee's hearings have shown that before his death Mr. Bramlet was under strong pressure from Mr. Hanley and the international union leadership to move administration of the health and welfare funds from the local's control to that of the international.

BATTLE OVER MONEY'S CONTROL

Joe Hauser, a onetime insurance swindler who has become a Federally protected witness, testified before the subcommittee on April 27, 1983, about a conversation that included himself; Sidney Korshak, a lawyer; Herman Leavitt, who headed the union's activities in Los Angeles before becoming secretary-treasurer of the international union, and Mr. Bramlet.

"Mr. Leavitt told Mr. Bramlet that 'Chicago had instructed Hanley'—Ed Hanley, general president of Hotel Workers International—to bring Bramlet's funds into the international," Mr. Hauser testified. "The term 'Chicago' referred, of course, to Accardo and the mob.

"Mr. Bramlet adamantly refused to agree to a merger and at one point Sidney Korshak said something like 'You know something, Mr. Bramlet, I would listen to Mr. Leavitt, he makes a lot of sense.' "

Mr. Leavitt testified that Mr. Hauser was a liar and that the conversation never occurred.

Mr. Korshak declined an invitation to appear before the subcommittee and said that if he were subpoenaed he would refuse to answer on grounds of possible self-incrimination.

When Mr. Bramlet's killers were arrested and pleaded guilty, they said the murder had nothing to do with the Culinary Workers welfare fund but was the product of a dispute over a bill for work done on the union hall air-conditioning system. Mr. Bramlet was dissatisfied with the work and withheld payment on part of the bill.

Within months after Mr. Bramlet was murdered, Mr. Schmoutey as secretary-treasurer of the Las Vegas local agreed to moving the local's welfare funds into the international's control. The local still manages its pension fund.

Chairman Roth. I might point out that the appearance of Anthony Accardo, which was scheduled for today, has—you may leave now—has been postponed. The subcommittee staff was advised by Carl Walsh, counsel for Mr. Accardo, at 2:30 p.m. Monday that his client had been taken to a Chicago area hospital with a scalp wound suffered in a fall at his residence. I have asked Mr. Walsh to appear today to inform the subcommittee as to when Mr. Accardo may be able to appear. Will Mr. Walsh please come forward?

Mr. Walsh, as you are well aware, we have been seeking to bring Mr. Accardo before this subcommittee over a lengthy period. It was the understanding of our counsel that he would be here today. We have this latest information that he was admitted at 2:30 p.m. Monday to be taken to a Chicago area hospital with a scalp wound suffered in a fall at his residence. I would ask you to explain to the subcommittee what happened and as to when the earliest date we can expect him to appear before us?

TESTIMONY OF CARL M. WALSH, ESQ., COUNSEL FOR ANTHONY J. ACCARDO

Mr. WALSH. Senator, as long as you understand all I am reporting to you is third-party hearsay, what I have learned from the doctors and other people concerned. I was not present at any of these events.

I received a call yesterday afternoon shortly before I was prepared to fly out here for this appearance telling me that Mr. Accardo had suffered a fall and was being taken by River Forest medics to the Oak Park Hospital. I did go out to the Oak Park Hospital a little bit later—found he was being treated there. He had received approximately 11 stitches to his head.

Apparently, he had fallen, struck his head on some type of piece of furniture, and had lost consciousness.

Chairman ROTH. Lost what?

Mr. WALSH. Lost consciousness for some period of time; I don't know how long.

Chairman ROTH. Have you discussed with his doctors the state of his health and how long they expect him to be in the hospital?

Mr. WALSH. I spoke to Dr. Motto yesterday afternoon, and he indicated he was having Mr. Accardo placed in the intensive-care unit. He believed that the cause of the fall may have been a disturbance of his equilibrium due to a new experimental drug that he was placed on at Mayo Clinic which dealt with the control of his heart condition, and Dr. Motto was going to place him in a monitored condition and remove him from that drug and try to place him under treatment with some other drug.

As to how long that is going to take, I don't know. He had mentioned something to the effect of at least 1 week.

Chairman ROTH. As you know, this hearing has been rescheduled any number of times during Mr. Accardo's stay at Mayo Clinic. I want to make it very clear that we are going to have a hearing with Mr. Accardo appearing before us. We want to be compassionate and considerate of anyone who is undergoing a health problem, but I want you to report upon your return to Chicago immediately to the staff director as to what you learned from the doctors. If necessary, we will get some independent doctors to also examine the patient.

As I said, we do not want to do anything that would endanger his health. At the same time, it is critically important that he comply with the subpoena that has been issued. If necessary, I want to make it very clear, we will go to Chicago to hold those hearings. We do anticipate having them as promptly as possible, and I would ask you to report back to the chief counsel, Mr. Weiland, within the next 2 days as to when we can anticipate Mr. Accardo.

Mr. WALSH. I will check with his doctors and I will let Mr. Weiland know. I would also, Senator, today, give Mr. Weiland a copy of a letter dated May 10 from Dr. Mankin of the Mayo Clinic to Dr. Motto describing the treatment of Mr. Accardo while he was at Mayo and his health condition.

Chairman ROTH. We accept that.

I am going to include as part of the record the chronology of attempts to secure testimony before this subcommittee. It goes back as far as June 17, 1983.

[The chronology referred to follows:]

Anthony J. Accardo—Chronology of Attempts To Secure Testimony Before the Permanent Subcommittee on Investigations

1. June 17, 1983: S. Cass Weiland, Permanent Subcommittee on Investigations Chief Counsel, sends letter to Accardo indicating PSI interest in his testimony and pertinent subject areas.
2. August 1, 1983: Weiland telephonically advises Carl Walsh, Accardo's attorney, of Subcommittee's intentions. Walsh advised he would accept subpoena on behalf of Accardo.
3. August 4, 1983: Certified letter with subpoena mailed to Walsh at his law offices, Chicago, by Rod Smith, Permanent Subcommittee on Investigations Deputy Chief Counsel.
4. September 12, 1983: In telephone conversation with Weiland, Walsh confirms that he told Smith earlier that day that Accardo would not permit him to accept service. Walsh refuses to say where Accardo is.
5. September 15, 1983: David Glendinning, Permanent Subcommittee on Investigations Staff Counsel, travels to Chicago and personally serves Walsh with subpoena for this testimony. Walsh refuses to say where Accardo is.
6. September 16, 1983: Glendinning provides copies of subpoena to Department of Labor representative and to U.S. Marshals in Chicago. Glendinning locates Accardo's home but is unable to locate Accardo and is unable to enter condominium building.
7. September 21, 1983: Copies of subpoena sent via certified mail to Accardo as residences in California and Chicago.
8. September 21, 1983: Peter J. Wilkes, U.S. Marshal for Northern District of Illinois personally serves Accardo at Saint Mary of Nazareth Hospital, Chicago, Illinois.
9. September 23, 1983: Walsh telephones Weiland to advise that Accardo is too ill to travel. Walsh also sends letter with medical reports. Permanent Subcommittee on Investigations issues a subpoena for Accardo's Hospital records.
10. September 28, 1983: Carl Walsh, attorney for Accardo, appears under subpoena and advises Permanent Subcommittee on Investigations of Accardo's medical condition. He agrees to supply weekly reports.
11. September 30, 1983: Weiland writes to Walsh to reiterate ongoing effect of subpoena.
12. October 5, 1983: Weiland writes to Walsh requesting Accardo's medical records.
13. October 7, 1983: Walsh writes to Weiland with medical update.
14. October 17, 1983: Walsh writes to Weiland regarding lifting of Accardo's travel restictions.
15. October 19, 1983: Howard Shapiro, Permanent Subcommittee on Investigations Staff Counsel, informs Walsh telephonically of new appearance date—November 17.
16. October 31, 1983: Walsh writes to Weiland with medical update and release form signed by Accardo.
17. October 31, 1983: Permanent Subcommittee on Investigations Chairman William V. Roth, Jr. writes to Walsh with formal notification of November 17 date.
18. November 8, 1983: Shapiro speaks to Walsh telephonically to confirm date.
19. November 17, 1983: Accardo appears before PSI under a grant of immunity but declines to answer questions based upon an objection as to the alleged basis (illegal wiretaps) for the questioning.
20. November 18, 1983: Senate Resolution 293 directing Senate Legal Counsel to bring civil action to enforce subpoena of PSA against Accardo is introduced.
21. February 9, 1984: Committee on Governmental Affairs votes unanimously to recommend S. Res. 293 to full Senate.

22. February 23, 1984: S. Res. 293 is adopted by the full Senate.

23. February 28, 1984: Senate Legal Counsel files Application for Order Requiring (Accardo's) Compliance with Senate Subcommittee Subpoena in U.S. District Court.

24. March 29, 1984: Judge Aubrey Robinson grants PSI's Application.

25. April 3, 1984: Letter sent to Carl Walsh, Accardo's attorney, from S. Cass Weiland advising him of the April 24th appearance date.

26. April 10, 1984: Telephone conversation between Walsh and Weiland confirming PSI's intention to bring Accardo in on April 24th.

27. April 16, 1984: Accardo checks into the Mayo Clinic.

28. April 20, 1984: Walsh and Madigan, Accardo's attorneys, file an Application with the U.S. District Court for a Stay Pending Appeal of the Court's March 29, 1984, order.

29. April 20, 1984: District Court Judge Joyce Green denies Application for stay.

30. April 23, 1984: PSI is advised of Accardo's hospitalization by attorney Walsh and an oral continuance is granted until May 1, 1984.

31. April 26, 1984: Letter from Weiland to Walsh confirming May 1st hearing date.

32. April 26, 1984: U.S. Court of Appeals for District of Columbia Circuit denies Accardo's motion for a stay pending appeal.

33. April 27, 1984: PSI is again orally advised by attorney Walsh that Accardo needs another week of physical therapy.

34. April 30, 1984: Attorney Walsh provides letter to PSI and is orally advised by Weiland that Accardo appearance is continued until May 8.

35. May 1, 1984: Dr. Lawrence Fourtes, U.S. Indian Health Service, examines Accardo at Mayo Clinic; letter received from Dr. Dennis Cortese, Mayo Clinic regarding Accardo's status.

36. May 2, 1984: Accardo's appearance continued indefinitely pending medical clearance.

37. May 8, 1984: Letter received from Dr. Harold Mankin, Mayo Clinic, regarding Accardo's condition.

38. May 10, 1984: Weiland informed by Mayo Clinic that Accardo is scheduled to leave Clinic May 11.

39. May 11, 1984: Weiland advises attorney Walsh that Accardo expected to testify May 15. This was repeated in a May 13 telephone conversation.

Chairman ROTH. Again, I want to tell you, his counsel, that it is important that this be held as promptly as possible. We do want to be kept abreast of the latest doctor reports. If necessary, we will get independent doctors to examine him and see whether or not or when he can come here.

In any event, we will be holding this hearing as promptly as his health condition permits.

Without further ado, the subcommittee is in recess.

[Whereupon, at 10:55 a.m., the subcommittee adjourned to reconvene at the call of the Chair.]

HOTEL EMPLOYEES & RESTAURANT EMPLOYEES INTERNATIONAL UNION

THURSDAY, JUNE 21, 1984

U.S. SENATE,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The subcommittee met, at 10 a.m., in room SD–342, Dirksen Senate Office Building, under authority of Senate Resolution 354, agreed to March 2, 1984, Hon. William V. Roth, Jr. (chairman of the subcommittee) presiding.

Members of the subcommittee present: Senator William V. Roth, Jr., Republican, Delaware; Senator Warren B. Rudman, Republican, New Hampshire; and Senator Sam Nunn, Democrat, Georgia.

Members of the professional staff present: S. Cass Weiland, chief counsel; Eleanore J. Hill, chief counsel to the minority; Katherine Bidden, chief clerk; Chuck Morley, chief investigator, majority; Howard Shapiro and Barbara Jeanne Cart, staff counsels, majority; Leonard Willis, minority staff investigator; Sarah Presgrave, executive assistant to the chief counsel of the majority; and Cindy Comstock, staff assistant, majority.

[Members present at commencement of hearing: Senators Roth and Rudman.]

OPENING STATEMENT OF SENATOR ROTH

Chairman ROTH. The subcommittee will please be in order.

This morning, the Permanent Subcommittee on Investigations will receive the testimony of Anthony Accardo, the reputed head of organized crime in Chicago for many years. I have asked Bob Ross, a staff investigator on detail from the FBI, to present a brief statement concerning Mr. Accardo's background and the subcommittee's attempts to secure his testimony.

These attempts have included various legal objections as well as several hearing postponements due to Mr. Accardo's medical condition. Under my instructions, and with the approval of the other members of this panel, the subcommittee has proceeded with determination in its efforts to secure this testimony because we believe it is important testimony—important to our comprehensive investigation of the Hotel Workers Union and, of course, important to the subcommittee's traditional role in reviewing organized crime activities. This determination will continue after today if there is a reason to believe that Mr. Accardo is not giving complete and truthful responses.

In this regard, I would point out that the Permanent Subcommittee on Investigations has continually deferred to the judgments of Mr. Accardo's doctors. His medical condition remains a concern, and we have asked a cardiologist to be present with us today.

Finally, I would like to comment on three pending matters: One, discussions are still being held as to whether any further action will be taken in response to Hotel Workers President Ed Hanley's blanket invocation of the fifth amendment last month.

Second, Senator Rudman and I intend to introduce a bill in the near future which would amend the Landrum-Griffin Act and attempt to minimize some of the abuses found during the subcommittee's review of the Hotel Workers Union.

Third, the subcommittee intends to issue a comprehensive final report on this investigation as soon as possible.

Senator Rudman, would you care to make any opening remarks?

Senator RUDMAN. Thank you, Mr. Chairman. I think you have covered it very well.

Chairman ROTH. Thank you. I would then ask Bob Ross to come forward and present background information on Mr. Accardo. Mr. Ross, under our subcommittee rules, all witnesses must be sworn. So would you please raise your right hand?

Do you swear the testimony you will give before the subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ROSS. I do.

Chairman ROTH. Thank you. Please be seated and proceed with your testimony.

[At this point in the hearing, Senator Nunn entered the hearing room.]

TESTIMONY OF BOB ROSS, STAFF INVESTIGATOR, PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. ROSS. I am Robert Ross, a staff investigator with the Permanent Subcommittee on Investigations. I have been asked to summarize events leading to today's hearing.

Anthony Joseph Accardo was reportedly born in Chicago in 1906. His involvement in organized criminal activities has been well documented by law enforcement authorities and widely reported by the media. Many of his alleged associates are well-known organized crime figures, including notorious gangsters such as Al Capone, Murray "the Camel" Humphreys, and Jack "Greasy Thumb" Guzik, were publicly linked with Mr. Accardo during the 1930's and 1940's. Accardo was reputed to be Capone's bodyguard and chauffeur, and his initial notoriety stemmed from his alleged role in the St. Valentine's Day massacre in 1929. When he was 25 years old, Tony Accardo was named in the "Public Enemy" list of prominent underworld figures published by the Chicago Crime Commission. More then five decades later, the name of Tony Accardo is still listed among the power brokers of organized crime as the top adviser to the Chicago mob.

Mr. Accardo's name and exploits have also appeared prominently in recently released insider books on organized crime, such as "The Last Mafioso" by Jimmy "the Weasel" Fratianno, and "Mafia Princess" by Antoinette Giancana, the daughter of former Chicago organized crime boss Sam Giancana.

Although Accardo has been arrested numerous times, he has often boasted of not spending a single night in jail. In the early 1960's, he was convicted of filing false income tax returns and sentenced to 6 years in prison, but this conviction was overturned on appeal and his retrial resulted in an acquittal. Most recently, in 1981, he was indicted in Florida with 15 other persons for his participation in a scheme designed to defraud the welfare fund of the Laborers International Union. Accardo was also acquitted in that case.

In these hearings, as in the past, congressional committees have been told of organized crime's influence within the Hotel Employees & Restaurant Employees International Union, and Accardo's name has repeatedly surfaced. Accardo was cited for criminal contempt by both the McClellan and Kefauver committees after he refused to answer their questions, but he was never actually prosecuted.

This subcommittee has recently heard specific testimony attesting to Accardo's great power and influence. One witness, Joe Hauser, said that Tony Accardo handpicked the head of the Hotel Workers Union, Ed Hanley, as well as the head of the Laborers Union, Angelo Fosco. Other witnesses before this subcommittee have also testified about the influence of Chicago's organized crime family in the Hotel Workers Union and in the city of Chicago generally.

The Permanent Subcommittee on Investigations initially attempted to secure Accardo's testimony last September, but service of a subpoena was delayed when he checked into a Chicago hospital without any apparent symptoms of illness. The U.S. marshal in Chicago finally located Accardo in the hospital and served the subpoena. However, Accardo's alleged health problems prevented his appearance in September.

Accardo's appearance was rescheduled for November, and he attempted to quash the subpoena in U.S. district court by filing a motion claiming that the subcommittee's prospective questions were derived from illegal electronic surveillance, primarily FBI surveillance of organized crime figures which was conducted in the early 1960's. This motion was denied.

On November 17, 1983, Accardo appeared before this subcommittee. He was immunized pursuant to court order, thus, preventing him from invoking his fifth amendment privilege, but he refused to answer most of the subcommittee's questions, claiming, once again, that they were derived from illegal electronic surveillance. He did choose to answer questions about Ed Hanley, denying that he knew Hanley or had handpicked him to be general president. He also answered several other questions without making the wiretap objection.

The Committee on Governmental Affairs and the full Senate subsequently passed Senate Resolution 293 which authorized the institution of a civil contempt action against Accardo. This was only the second time that such an action had been instituted. On March 29, 1984, Federal District Court Judge Aubrey Robinson rejected Accardo's illegal wiretap contentions and ordered him to testify.

On April 3, Accardo's attorney was informed that Accardo's reappearance was scheduled for April 24. On April 20, U.S. District Court Judge Joyce Green denied a motion for a stay of Judge Robinson's order pending an appeal.

On April 23, Accardo's attorney informed the subcommittee that Accardo had checked into the Mayo Clinic 7 days before on April 16 and would be unable to appear on the 24th.

Accardo's appearance was rescheduled for May 15, after PSI was notified that he had left the Mayo Clinic. On May 14, Accardo suffered a fall in his suburban Chicago home, requiring stitches on his scalp and further hospitalization which, again, delayed his appearance.

Mr. Accardo's testimony today is particularly important to our ongoing investigation of organized crime in Chicago and its alleged links to the hotel workers union.

Chairman ROTH. Thank you, Mr. Ross. Any questions?

Senator RUDMAN. Mr. Chairman, I don't have a question. I do want to comment before we begin with the witness. We had one of our staff investigators testify briefly—and we have been fortunate, this subcommittee has, through the years, to have the very excellent cooperation of the Federal Bureau of Investigation. We had agents detailed to this subcommittee, and Mr. Ross is the latest in the series of excellent investigators assigned to our subcommittee. I just want to express our appreciation of the Bureau and Mr. Ross for the excellent cooperation we have had.

Chairman ROTH. I would share that appreciation. I know the subcommittee has been appreciative of your efforts, Mr. Ross.

Senator Nunn.

Senator NUNN. I share the sentiments by the Senator from New Hampshire. I appreciate very much your efforts. Very helpful.

Chairman ROTH. Thank you, Mr. Ross.

Mr. ROSS. Thank you, Senator.

Chairman ROTH. Mr. Accardo, will you please come forward and your attorney? Would you please remain standing so that we can administer the oath? Raise your right hand.

Do you swear the testimony you will give before this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ACCARDO. Yes.[1]

TESTIMONY OF ANTHONY J. ACCARDO, ACCOMPANIED BY CARL M. WALSH, ESQ.

Chairman ROTH. Thank you. Please be seated. I would like to reemphasize, Mr. Accardo, as you know, you have been granted immunity——

Mr. ACCARDO [interposing]. Senator, I can't hear you.

Chairman ROTH. I was saying, I would like to remind you, you have been granted immunity so that the testimony you give here cannot be used for purposes of prosecution.

Let me start out by asking you to, or your attorney, to identify himself, if he would.

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[1] The testimony of Anthony Accardo reflects the reporter's official transcript, with minor corrections for spelling.

Mr. WALSH. I am Carl M. Walsh. I am a lawyer licensed to practice in the State of Illinois and before various Federal courts, representing Mr. Accardo.

Chairman ROTH. Mr. Accardo, you were here when Mr. Ross made his statement. I believe you also had a copy. Would you care to make any comment on that statement?

Mr. ACCARDO. No, sir.

Chairman ROTH. Would you please get the microphone right before you so we can hear you? It is important that you verbally answer because your nods cannot be recorded.

Mr. Accardo, we have information which may be said to be general public information that you headed the Chicago organized crime syndicate for many years; isn't that true?

Mr. ACCARDO. No, sir.

Chairman ROTH. That is not true?

Mr. ACCARDO. No, sir.

Chairman ROTH. Are you familiar with the so-called organized crime syndicate?

Mr. ACCARDO. No, sir.

Chairman ROTH. You have no knowledge of such an organization?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you at one time work for Al Capone?

Mr. ACCARDO. Sir?

Chairman ROTH. Did you one time work for Al Capone?

Mr. ACCARDO. No, sir.

Chairman ROTH. You never worked for Al Capone?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you ever know him?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Would you describe your association with Mr. Capone, and what his functions were? Was he head of the organized crime?

Mr. ACCARDO. Not that I know of, sir.

Chairman ROTH. Not that you know of. You in no way at any time worked, in no way, for Al Capone?

Mr. ACCARDO. No, sir.

Chairman ROTH. How did you know Al Capone?

Mr. ACCARDO. Sir?

Chairman ROTH. How do you know Al Capone? What——

Mr. ACCARDO [interposing]. Met him at the racetrack, and so forth.

Chairman ROTH. Mr. Accardo, can you see the chart on the left?

[Witness conferring with counsel.]

Mr. ACCARDO. I can see a piece of cardboard, but I can't read it.

Chairman ROTH. Would one of the staff take it so that he can see it. We will hand you a copy of this chart.

[The chart referred to, which was identified during a prior subcommittee hearing—September 28, 1983—follows:]

Joseph Aiuppa
Birthdate—12/1/07
FBI# 951184 IR# 17860

Anthony Accardo
Birthdate—4/28/06
FBI# 1410106 IR# D83436

Anthony Spilotro
Birthdate—5/19/38
FBI# 860142 IR# 13146

Herbert "Fat Herbie" Blitzstein
John Spilotro
Joseph Hanson
Chris Petti
Joseph Cusumano
Irv Kahn
Frank Buccieri
Frank "Lefty" Rosenthal

John Philip Cerone
Birthdate—7/7/14
FBI# 627727A IR# C41741

Gus Alex
Birthdate—4/1/16
FBI# 4244200

Anthony Ortenzi
Birthdate—1/18/21

Sam Carlisi
Birthdate—12/15/14
FBI# 143761A
IR# D255934

Photo Unavailable

Dominic Blasi
Birthdate—9/9/11
FBI# 635770 IR# E8187

Willie Messino
Birthdate—1/7/17
FBI# 922367 IR# 55433

Joseph A. Ferriola
Birthdate—3/16/27
FBI# 787914 IR# 252486

LIEUTENANTS
Salvatore Bastone
Dominic Cortina
Marco D'Amico
Sal DeLaurentis
Ernest Infelice
Louis Marino

SOLDIERS
Louis Aleman
Joseph Amato
Joseph Andriacci
Donald Angelini
James P. Basile
Robert Bastis
Carmen Bastone
Wayne Bock
Ralph Carbonieri
Pasquale Cariaccia
Charles Cosario
John Coppini
John Credito
Americo DePietto
Sal DeRose
John DiFronzo
Anthony Fico
Arnold Garris
Frank Giacalone
Anthony Giancofiori
Donald Grieco
Joseph Grieco
William Jahoda
Stanley R. Jasinski
Nick Kokenes
John Lamanna
John LaPlaca
Hy Larner
Attilio Lavorata
Robert Lewis
Sam London
Sam Maletis
Frank Maltese
John Manzella
Mickey Marcello
William McGuire
Clement Messino
Joseph Miserendino
Salvatore Moloso
Leonard Muscia
James Nicholas
William O'Neill
Joseph Pascucci
Alfred Pavone
Richard Piekarski
Danny T. Poe
Michael Posner
Robert Salerno
Sam Samarco
Michael Sarno
Leroy Skladowski
Joseph Spadavecchio
John Varelli
Orlando Vestuto

Joseph Lombardo
Birthdate—1/1/29
FBI# 673515E IR# 15470

LIEUTENANTS
Anthony Aleman
James D'Antonio
Louis "the Mooch" Eboli
Larry Pettit
Dominic Senese

SOLDIERS
Phil Amato
Sam Ariola, Jr.
Jimmy Bartoli
Anthony Bravieri, Jr.
Fiore Buccieri, Jr.
Gerald Castino
Ron Covello
Tom Covello
James Cozzo
Ron D'Angelos
Con DeBartolo
Charles English
Tom Forliano
Frank Furio
Tintner Inserro
Rocco Lombardo
Ralph Mascio
Joseph N. Pettit
Mario Rainone
Nick Regilio
Pat "Patsy" Ricciardi
Sam Rosa
Frank Schweihs
Lucien Senese
Michael Spilotro
Victor Spilotro
Michael Swiatek
Steve Torello
Joseph Vento
Irwin Weiner

Angelo LaPietra
Birthdate—10/30/20
FBI# 1777489 IR# D48410

LIEUTENANTS
Frank James Calabrese
Frank Caruso
John Fecarotta
James LaPietra
John Monteleone

SOLDIERS
Joseph Albano
Ernest Amedei
Frank Bruno Barbara
Sam Bills
Anthony Bova
Frank Butera
Frank Michael "Mike" Caruso
Rich Catazone
Charles DiCaro
James DiCaro
Paul DiCaro
Sam Gallo
Morton Geller
Jerome Grallo
Anthony Imparato
Angelo Imparato
Vincent Inserro
Joseph LaMantia
Richard LaMantia
Anthony Meonze
Nick Montos
Dominic Palermo
Flor Piccinini
Aldo J. Piscitelli
James Quarello
Carmen Russo
Terry Scalise
Tom Scalise
Nikolic Slobodan
Michael Talarico

Vincent A. Solano
Birthdate—10/12/19
FBI# 1995437 IR# D4182

LIEUTENANTS
Joseph Arnold
Joseph DiVarco
Michael Glitta

SOLDIERS
Anthony Armieri
Dan Bertoli
Ray Caccamo
Thomas Campione
Jasper Campise
Orlando Catanese
Anthony Cipriano
Anthony Cirignani
Frank DeMonte
Sal Dodero
Sid Finzelber
Sal Gruttadauro
Murray Jans
Walter Micus
Joseph Morici
Daniel Morsovillo
Nick Nitti
Frank Orlando
Leonard Patrick
Mike Patrick
Frank Paula
Sam Sarcinelli
Christ Seritella
Morton Shapiro
Calvin Sirkin
George Sommer
Anthony Spadafore
Ray Spencer
Arnold Taradash
Frank Tornabene
Len Yaras

Albert Caesar Tocco
Birthdate—8/9/29
FBI# 290484

LIEUTENANTS
Joseph Barrett, Jr.
Tony "Dago Tony" Berretoni
Richard Guzzino
Chris Messino

SOLDIERS
Douglas Aldridge
Harry Ansel
Daniel Bennets
Roy Bridges
Clarence Crockett
Frank D'Andrea
Gerry Ferraro
Sheldon Fishman
Joseph Marek
Gino Martin
Seymour Miller
Tony Pelligrino
Joseph Jerome "Jerry" Scalise
Jerry Scarpelli
Eric Schmidt
Al Troiani
William Zanon
Richard Zink

Prepared by
NEIL F. HARTIGAN,
Attorney General,
State of Illinois and
the Chicago Crime Commission

March 4, 1983

Mr. ACCARDO. This is the first time I've seen it.

Chairman ROTH. This has been published a number of times. It was prepared by Bill Lambie who is a former employee of the Chicago Crime Commission. This is said to be a chart showing the top leadership of organized crime, the mob, La Cosa Nostra, the underworld, whatever you want to call it.

Are you familiar with any of the people whose pictures appear in this chart?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. This chart shows you as at the head of the organization. What individuals do you know on this chart, Mr. Accardo?

[Witness conferring with counsel.]

Mr. WALSH. He has to stand up, Senator.

Chairman ROTH. It is our understanding periodically Mr. Accardo will have to stand.

Mr. WALSH. Right now he has to to be able to see the chart.

[Witness conferring with counsel.]

Chairman ROTH. Do you know Mr. Aiuppa?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Who is Mr. Aiuppa?

Mr. ACCARDO. Sir?

Chairman ROTH. Who is Mr. Aiuppa?

Mr. ACCARDO. I don't understand the question.

Mr. WALSH. Senator, if I may, as has been reported to the subcommittee from a letter by Mr. Accardo's doctor, he has lost his hearing in his left ear, and he is not hearing too well today out of his right ear. Quite often he is going to ask you to repeat questions. I hope you can bear with us on that.

Chairman ROTH. Pleased to do so. Perhaps it would be easier if a copy of this would be handed——

Mr. WALSH [interposing]. He was not able to read that. It's too small.

Chairman ROTH. Too small. All right.

Mr. Accardo, are you familiar with this chart? Have you seen it before?

How do you know Joseph Aiuppa?

Mr. ACCARDO. We met years and years ago. Just casual meeting.

Chairman ROTH. Just casual meeting. He is reputed to be the head of the Chicago mob. Are you familiar with that fact?

Mr. ACCARDO. Not that I know of.

Chairman ROTH. You have no knowledge——

Mr. ACCARDO [interposing]. I have no knowledge.

Chairman ROTH [continuing]. That he is head of organized crime?

Mr. ACCARDO. No, sir.

Chairman ROTH. Are you familiar with John Philip Cerone?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. How do you know him?

Mr. ACCARDO. Met him on golf courses, and so forth.

Chairman ROTH. How well do you know Mr. Cerone?

Mr. ACCARDO. Real well.

Chairman ROTH. Real well. How does he earn a living?

Mr. ACCARDO. Far as I know, he's a golfer.

Chairman **Roth**. As far as you know, he's a golfer. You know him very well, and you have no information as to how he earns a living?

Mr. **Accardo**. Yes, I haven't.

Chairman **Roth**. You have no knowledge as to whether he's in any way associated with organized crime?

Mr. **Accardo**. No, sir.

Chairman **Roth**. How about Anthony Spilotro?

Mr. **Accardo**. I don't know him, sir.

Chairman **Roth**. You do not know him. Well, let me ask you this: Did you know Sam Giancana when he was alive?

[Witness conferring with counsel.]

Mr. **Accardo**. Yes, sir.

Chairman **Roth**. Why don't you be seated, please. Did you know his daughter Antoinette?

Mr. **Accardo**. Yes, sir.

Chairman **Roth**. Did you know that allegedly Giancana headed the so-called Chicago mob, the Chicago family, organized crime?

Mr. **Accardo**. Not that I know of.

Chairman **Roth**. You have no knowledge of any kind?

Mr. **Accardo**. No.

Chairman **Roth**. Are you familiar in any way with so-called organized crime, the Mafia, the La Cosa Nostra? Have you any knowledge at all of that?

Mr. **Accardo**. No, sir.

Chairman **Roth**. None of any kind?

Mr. **Accardo**. No.

Chairman **Roth**. Are you familiar with any illegal criminal organization?

Mr. **Accardo**. No, sir.

Chairman **Roth**. Have you ever been associated in any way with any illegal activity?

Mr. **Accardo**. No, sir.

[Witness conferring with counsel.]

Mr. **Walsh**. Senator, could you reask that question? I don't think he understood it.

Chairman **Roth**. Would the reporter please read back my question?

[The reporter read the record.]

Mr. **Accardo**. Yes, sir.

Chairman **Roth**. What were those illegal activities?

[Witness conferring with counsel.]

Mr. **Accardo**. Gambling.

Chairman **Roth**. I'm sorry?

Mr. **Accardo**. Gambling.

Chairman **Roth**. Gambling is the only illegal activity you have ever been involved in?

Mr. **Accardo**. Yes, sir.

Chairman **Roth**. What period of time does this cover?

Mr. **Accardo**. That's too far for me to remember.

Chairman **Roth**. Do you know Sam Giancana's daughter Antoinette?

Mr. **Accardo**. Yes, sir.

Chairman **Roth**. How long have you known her?

Mr. ACCARDO. Since she's been a child.

Chairman ROTH. Wasn't Giancana your driver and bodyguard at one time?

Mr. ACCARDO. No, sir.

Chairman ROTH. Was he ever your driver?

Mr. ACCARDO. He drove with me; we rode together, but he was never a driver for me.

Chairman ROTH. Did you pay him for his services as a driver?

Mr. ACCARDO. No, sir.

Chairman ROTH. You are mentioned many times in Antoinette Giancana's new book, "Mafia Princess." Are you familiar with that book?

Mr. ACCARDO. No, sir.

Chairman ROTH. You have never seen the book?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever read any of the reviews?

Mr. ACCARDO. No, sir.

Chairman ROTH. In this book, she makes a number of allegations. For example, on page 20 of her book, she wrote, "He," and by "he," that's you, Mr. Accardo, "used to hold an annual Fourth of July bash for Chicago's mob at his home." In other words, you held an annual Fourth of July bash for Chicago mob at your home. Is that true?

Mr. ACCARDO. I held a party, a Fourth of July party.

Chairman ROTH. On a regular basis?

Mr. ACCARDO. Sir?

Chairman ROTH. On a regular basis?

Mr. ACCARDO. Friendly basis.

Chairman ROTH. Regular?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Who attended these parties?

Mr. ACCARDO. It's too long for me to remember.

Chairman ROTH. When was the last party you held?

Mr. ACCARDO. Oh, years ago.

Chairman ROTH. Isn't it true that many of the people who attended that party were friends and associates identified as members of the Chicago mob?

Mr. ACCARDO. I don't know if they ever were identified with the mob, sir.

Chairman ROTH. Did any of the people whose picture appears on that chart ever attend any of those picnics?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Yes, sir?

Mr. ACCARDO. Yeah.

[Witness conferring with counsel.]

Mr. WALSH. Excuse me. He just asked me what did he say, so I know he didn't hear you. So could you repeat it?

Chairman ROTH. Did any of the people whose picture appears on that chart in front of you attend the parties you held on July Fourth?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. The answer is yes, sir. Which of these individuals attended your July Fourth party?

Mr. Accardo. Aiuppa, Cerone—that's about all I can see. Dom Blasi.

Chairman Roth. Isn't it true these people are generally identified and perceived as members of the Chicago mob?

Mr. Accardo. No, sir.

Chairman Roth. Mr. Accardo, are you familiar with the fact that there is general recognition that there is an organized crime family in Chicago?

Mr. Accardo. Not that I know of.

Chairman Roth. You have no knowledge of any kind of that?

Mr. Accardo. No, sir.

Chairman Roth. Let me go back to the book by Antoinette. On page 20, she writes, and I am quoting:

> When Accardo stepped down as boss and went into semi-retirement, my family moved up as operating boss of the Chicago family, but even in retirement, Accardo maintained an influence on Sam and the criminal family and received a considerable return on investments he had made while running the Chicago mob.

Isn't that statement true?

Mr. Accardo. No, sir.

Chairman Roth. It's not true. Let me read it section by section to make sure you are denying all parts of it. She writes that: "When Accardo stepped down as boss and went into semi-retirement," isn't it true you stepped down as boss of the Chicago mob?

[Witness conferring with counsel.]

Mr. Accardo. I've never been a boss, sir.

Chairman Roth. Then let me go to the next section. She writes—this is the daughter: "my father moved up as operating boss of the Chicago family."

Do you have any knowledge of that?

Mr. Accardo. No, sir.

Chairman Roth. No knowledge at all?

Mr. Accardo. No, sir.

Chairman Roth. Then: "Even in retirement, Accardo maintained an influence on Sam and the crime family."

Is that true?

Mr. Accardo. I don't know what they're talking about.

Chairman Roth. Have you ever heard of the so-called Chicago family?

Mr. Accardo. No, sir.

Chairman Roth. Never heard of it. Have you ever read about it in the paper?

Mr. Accardo. I've read it in the paper.

Chairman Roth. But you have no personal knowledge?

Mr. Accardo. No.

Chairman Roth. Then she goes on and writes that you "received a considerable return on investments that had been made while" you were running the Chicago mob.

You received no income, no money from the investments of the Chicago mob?

Mr. Accardo. No, sir.

Chairman Roth. Let me ask you this: How did you make a living?

Mr. Accardo. I gambled.

Chairman Roth. That was your only source of income, gambling?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You never worked?

Mr. ACCARDO. No, sir.

Chairman ROTH. At any time?

[Witness conferring with counsel.]

Mr. ACCARDO. I sold beer at one time.

Chairman ROTH. Is that how you qualified for social security, by selling beer?

[Witness conferring with counsel.]

Mr. WALSH. Senator, I have a problem. He can't hear me, and he is not hearing you too well. Could I ask for a couple minutes to talk to him about this question in private?

Chairman ROTH. Sure. We will take a break.

Mr. WALSH. Thank you. Could we step out somewhere in recess just for a couple minutes? He is going to require 5 or 10 minutes to walk around now anyhow. Could we have a brief recess?

Chairman ROTH. You can go back to the room in back.

Mr. WALSH. Appreciate that, Senator.

[Brief recess.]

[Senators present at time of recess: Senators Roth, Rudman, and Nunn.]

[Senators present at resumption of hearing: Senators Roth and Rudman.]

Chairman ROTH. Would you read the last question, please?

[The reporter read the pending question.]

Chairman ROTH. Did you hear that question, Mr. Accardo? Would you read it once more, loudly, if you can?

[The reporter read the pending question.]

Mr. ACCARDO. My tax attorney made me file my social security that way.

Chairman ROTH. But you did file it in that way?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. On advice of counsel?

Mr. ACCARDO. Yes, sir.

[At this point in the hearing, Senator Nunn entered the hearing room.]

Chairman ROTH. Now on page 19 of her book, she wrote about the shrimp boat business that you and Sam Giancana had in Mexico and Cuba. I quote: "They were large businesses, and I suspect Sam and Accardo had several million dollars invested in them, although I could never attach a reliable price tag to the overall business when I was researching my father's estate assets following his death."

Could you tell us about these businesses, Mr. Accardo?

Mr. ACCARDO. I've never been in any shrimp business.

Chairman ROTH. You've never been in any shrimp business?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever derived any income, any revenue from a shrimp business?

Mr. ACCARDO. No, sir.

Chairman ROTH. Who owns them?

Mr. ACCARDO. I have no idea.

Chairman ROTH. And you deny that you invested millions of dollars in these companies; is that true?

Mr. ACCARDO. I don't understand your question.

Chairman ROTH. She asserts that you invested millions of dollars in this business, and you deny that, is that true?

[Witness conferring with counsel.]

Mr. ACCARDO. I don't understand you, sir.

Chairman ROTH. Well, let me read her statement again: "They were large businesses, and I suspect Sam and Accardo has several million dollars invested in them." I'm asking you, you deny that you did invest millions of dollars or any money in any shrimp business?

Mr. ACCARDO. I have no money invested, sir.

Chairman ROTH. What can you tell us about Giancana's murder?

Mr. ACCARDO. I have no knowledge about it.

Chairman ROTH. You have no knowledge, direct or indirect?

Mr. ACCARDO. None whatsoever.

Chairman ROTH. Did you have anything to do with it?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever directed anybody to commit murder?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever killed anyone?

Mr. ACCARDO. No, sir.

Chairman ROTH. How long have you known Joseph Aiuppa?

Mr. ACCARDO. Many years.

Chairman ROTH. And are you aware that he is reputed to be Chicago organized crime leader?

Mr. ACCARDO. Not that I know of—leader.

Chairman ROTH. You have no knowledge of that?

Mr. ACCARDO. No knowledge.

Chairman ROTH. Are you aware that that was the public perception?

Mr. ACCARDO. The newspapers could have said it, but I wasn't——

Chairman ROTH [interposing]. You were aware the newspapers asserted that he was head of the organized crime?

Mr. ACCARDO. Outside of the newspapers, that's all I know.

Chairman ROTH. Are you familiar with this picture? I ask this be taken so he can see it.[1]

[Document tendered to witness.]

Chairman ROTH. Do you know the people in that picture?

[Witness conferring with counsel.]

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Who are they?

Mr. ACCARDO. Joseph Aiuppa, Dominic Di Bella and——

Chairman ROTH [interposing]. Could you say the names again, please?

Mr. ACCARDO. Joseph Aiuppa, Dominic Di Bella, and myself.

Chairman ROTH. Where was this picture taken?

Mr. ACCARDO. I assume at the restaurant.

Chairman ROTH. Do you remember when the picture was taken?

Mr. ACCARDO. No, sir.

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[1] The photograph referred to was subsequently marked as Exhibit No. 1, and may be found on p. 55.

Chairman ROTH. You have no recollection. Looking at the picture, when would you estimate at what time it was taken?

Mr. ACCARDO. I don't understand the question. I can't hear that well anyway.

Chairman ROTH. When do you think the picture was taken, what year?

Mr. ACCARDO. I have no idea.

Chairman ROTH. You have no idea whatsoever. What business was Di Bella in?

Mr. ACCARDO. He owned horses at one time.

Chairman ROTH. Mr. Accardo, both of these gentlemen that appear with you were reputed to be members of organized crime; are you aware of that?

Mr. ACCARDO. No, sir.

Chairman ROTH. You're not aware of the fact that the newspapers and the press——

Mr. ACCARDO [interposing]. The newspapers might have said it.

Chairman ROTH. That they were members of the Chicago family?

Mr. ACCARDO. The newspapers might have said it.

Chairman ROTH. What did Mr. Aiuppa do for a living?

Mr. ACCARDO. Sir?

Chairman ROTH. What did Mr. Aiuppa do for a living?

Mr. ACCARDO. I don't know.

Chairman ROTH. You have no idea?

Mr. ACCARDO. No, sir.

Chairman ROTH. As to what Mr. Aiuppa did for a living?

Mr. ACCARDO. None of my business.

Chairman ROTH. How well did you know him, over what period of time were you a friend of Mr. Aiuppa?

Mr. ACCARDO. A friend with him many years.

Chairman ROTH. Are you still a friend of his?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You both live in Palm Springs?

Mr. ACCARDO. No, sir; I'm the only one who lives in Palm Springs.

Chairman ROTH. You never in your association with him discussed how he makes a living?

Mr. ACCARDO. No, sir.

Chairman ROTH. In any way?

Mr. ACCARDO. Any way.

Chairman ROTH. You never discussed—have you ever talked with him about organized crime?

Mr. ACCARDO. No, sir.

Chairman ROTH. That's never come up for discussion between you and Mr. Aiuppa?

Mr. ACCARDO. No, sir.

Chairman ROTH. I have another picture I would like to have you identify. I don't know whether this is one of the July Fourth picnics or not, but I'm going to ask this to be taken to you and for you to identify as many people there as you can.

[Witness tendered document.]

Mr. WEILAND. Mr. Chairman, if we could have that first picture marked exhibit 1 for identification and entered into the record. We do have some other pictures that have been premarked but I ask this most recent picture be marked exhibit 6 for identification.

Chairman **Roth**. Without objection.

[The photographs referred to were marked "Exhibit No.'s 1 through 7," for reference and follow:]

EXHIBIT NO. 1

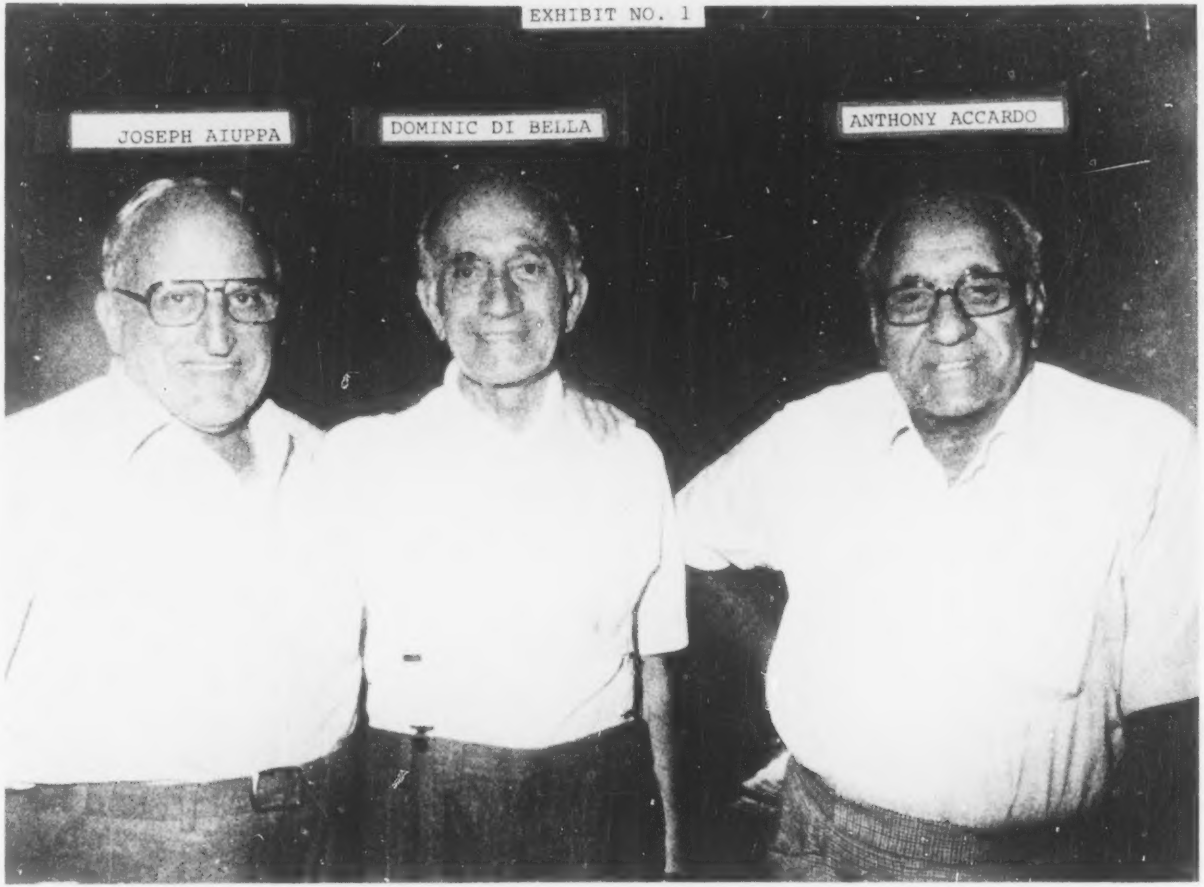
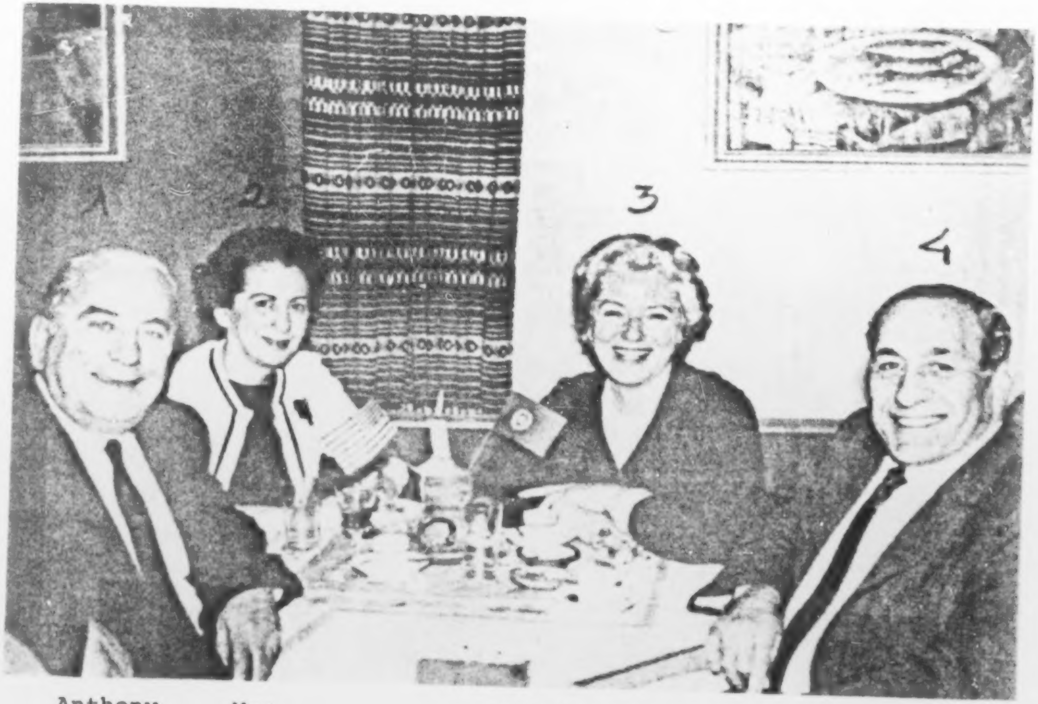

JOSEPH AIUPPA
DOMINIC DI BELLA
ANTHONY ACCARDO

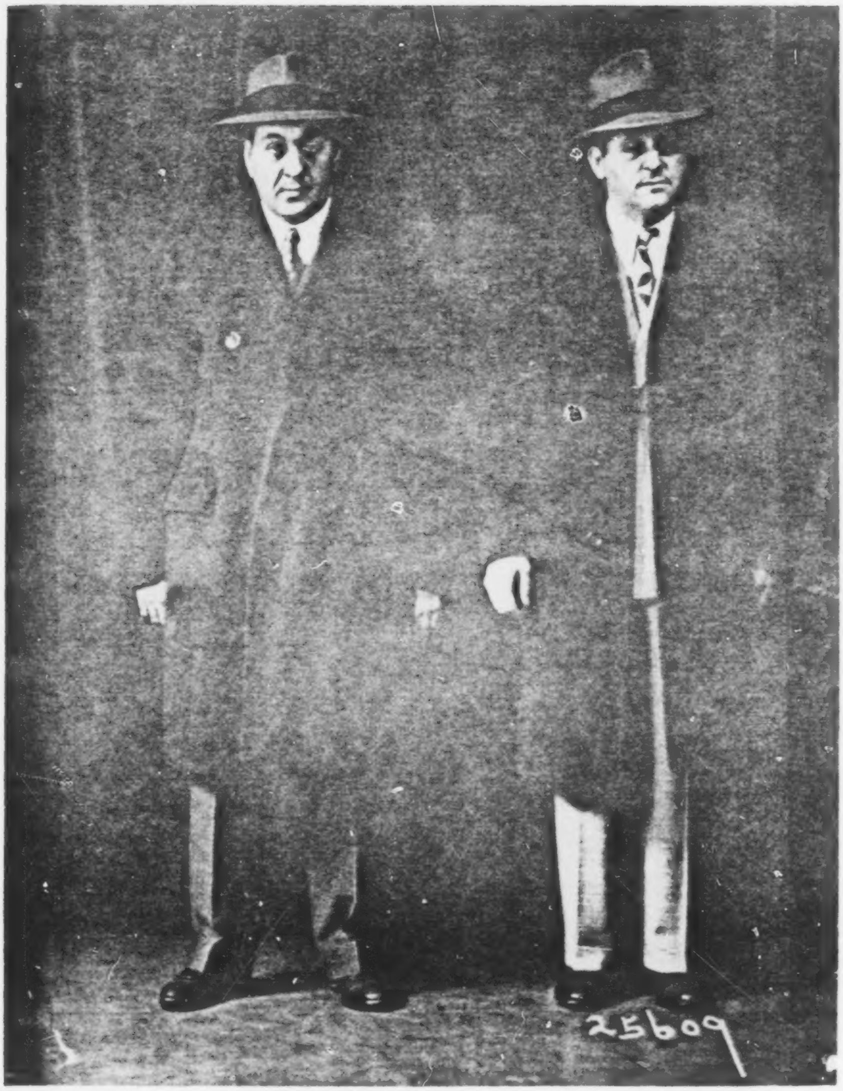
EXHIBIT NO. 2



Anthony De Grazio   Mrs. De Grazio   Clarice Accardo   Tony Accardo

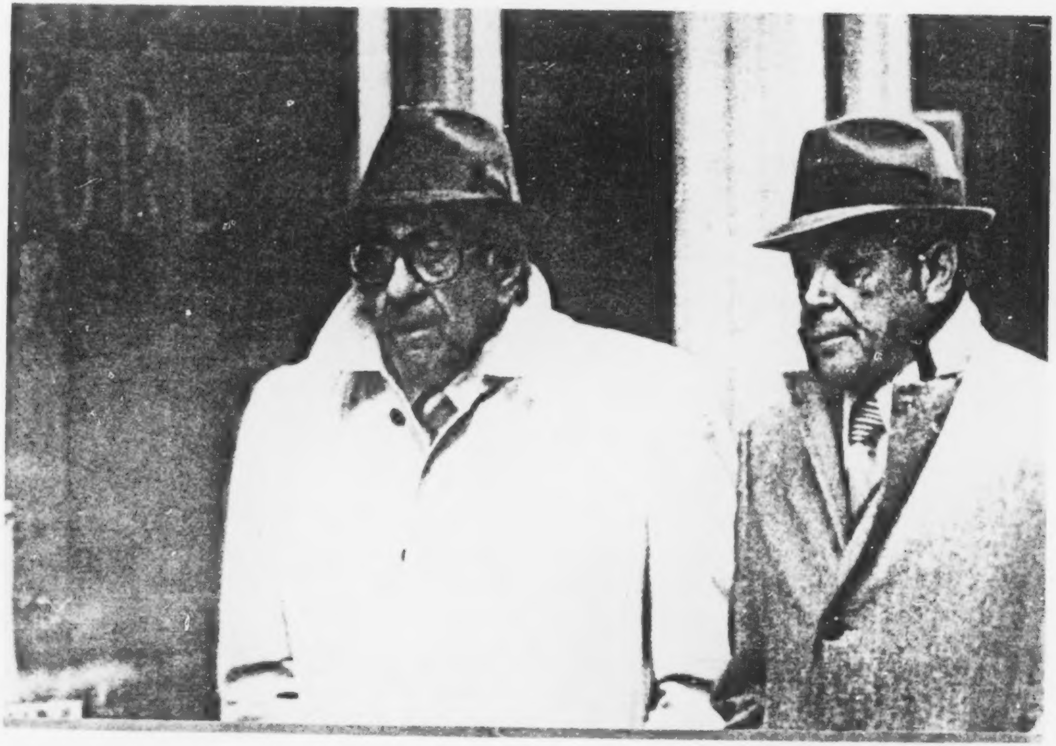
Photograph of Tony Accardo and party taken in "A SEVERA" restaurant in Lisbon, Portugal on November 18, 1959 during a month's tour of Europe.

EXHIBIT NO. 3



Accardo Giancana

EXHIBIT NO. 4



Accardo Cerone

EXHIBIT NO. 5

Mum's da woid

NOV 20 1968

Tony da Toona's back in town

NEWS

By John McHugh

Six police gang intelligence detectives sipped mixed drinks in a cocktail lounge in the International Building at O'Hare Airport.

One detective, gun-holster showing under the waistband of his tan sweater, checked the big arrivals-and-departures board.

Downstairs, reporters and photographers lounged outside the black doors leading to the restricted U.S. Customs area.

Finally, Flight 664 touched down.

TONY (BIG TUNA) Accardo was home from Rome.

The semi-retired mobster chieftain waited Tuesday night with other passengers until a conveyor belt disgorged his luggage onto a rotating container. He lugged it to a customs inspection counter.

Big Tuna lit a cigaret and exhaled hard. He gazed impassively at the detectives, all of whom appeared to be mind-

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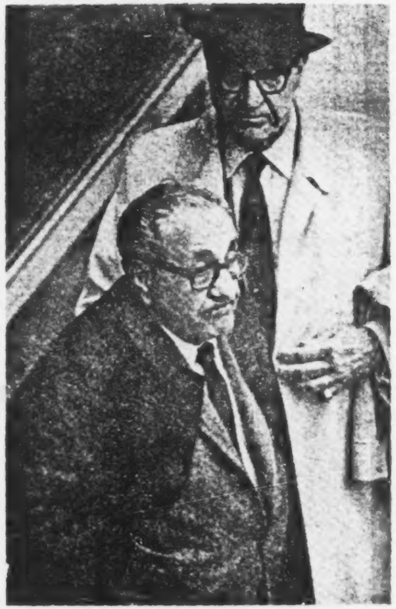


Tony Accardo looks impatient as he waits—just like everyone else—to have his baggage inspected by customs agents at O'Hare Airport after his arrival from Rome. With him is Anthony Ricci. (Photo by Henry Gill)

▸ Tower Ticker

by Bob Wiedrich

TRIBUNE MAY 31 1971

● THE INSIDE SCOOP: Mobster Anthony [Big Tuna] Accardo is relaxing at the annual tuna fishing tournament at Bimini in the Bahamas after an exhausting series of skull sessions in Miami Beach with his longtime New York Mafia pal, Anthony [Boo Boo] Ricci.

•Ricci

Always on the lookout for new revenue sources, gangsters from New York, Cleveland and Chicago—all with territorial rights in Miami—have been eyeing Florida for some months amidst growing speculation that that state might soon legalize gambling.

That's one of the reasons authorities believe Loop gambling czar Gus [Slim] Alex recently established residency in Fort Lauderdale by buying a condominium, where, incidentally, he's living it up this Memorial Day weekend. And that's what investigators believe was on Accardo's mind when he huddled at the Thunderbird on Collins Avenue in Miami Beach with Ricci, gangland's chief liaison man between the New York and Chicago mobs.

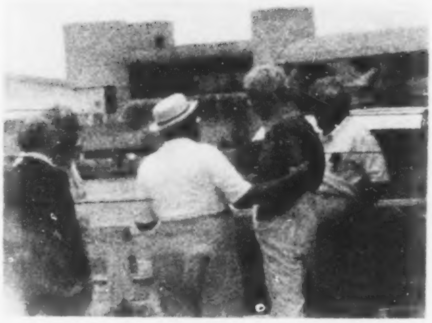
In recent years, as mobster knuckle cracking has been intensified by the FBI, crime syndicate chieftains have turned more and more to legalized gambling as a means of enhancing their fortunes, taking an interest in casinos in such far off places as London, the Caribbean and South America.

In fact, it wasn't too long ago that Chicago's king of the bolita racket, Ken Eto, journeyed to Honolulu to scout gambling opportunities in Hawaii, another indication the mobsters are seriously involved in expanding their horizons, despite the hunger pangs of American economy.

So, with the growing penchant of business for diversification, don't be surprised if Accardo turns up next in Alaska trying to peddle mustache cups to the walruses. That guy will do anything for a buck!

EXHIBIT NO. 4

EXHIBIT NO. 7



Chairman ROTH. Now, would you please identify as many as you can in this picture. [Exhibit 6.]

Mr. ACCARDO. There's Al Capone?

Chairman ROTH. Which one is Al Capone?

Mr. ACCARDO. Sitting down in the middle.

Chairman ROTH. Are you in this picture?

Mr. ACCARDO. No, sir.

Chairman ROTH. You are nowhere to be seen in this picture?

Mr. ACCARDO. No, sir.

Chairman ROTH. Again, what was your association with Al Capone?

Mr. ACCARDO. No association at all. Just friends—"Hello, how are you?"

Chairman ROTH. Are you aware you were reputed to be his chauffeur and bodyguard?

Mr. ACCARDO. No, sir, outside of the newspapers.

Chairman ROTH. That was totally without foundation, there's no truth that you in any way worked for Al Capone?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Could the witness, Mr. Chairman, repeat that answer? The question was, there is no truth to the allegation you worked with Al Capone. The witness answered yes. I'm not sure——

Mr. ACCARDO [interposing]. Sir, I don't hear you at all.

Senator NUNN. Does that mean yes, you did work for Al Capone or no, you didn't?

Mr. WALSH. Senator, he said he couldn't hear you at all.

Senator NUNN. Is my mike plugged up?

Mr. WALSH. It doesn't sound like it, Senator.

Senator NUNN. To clarify that question, the question was, did you ever work for Al Capone; were you ever on his payroll?

Mr. ACCARDO. No, sir.

Senator NUNN. He never paid you any money?

Mr. ACCARDO. No, sir.

Senator NUNN. Never got any remuneration from him?

Mr. ACCARDO. No, sir.

Senator NUNN. Did you ever drive for him?

Mr. ACCARDO. No, sir.

Senator NUNN. Never drove an automobile for him?

Mr. ACCARDO. I didn't hear the question.

Senator NUNN. You never drove an automobile for him?

Mr. ACCARDO. No, sir.

Senator NUNN. Thank you, Mr. Chairman.

Chairman ROTH. How often do you speak to Aiuppa currently? How often do you see him?

Mr. ACCARDO. I think I seen him last week, or something.

Chairman ROTH. Would you say you see him on a regular basis, weekly?

Mr. ACCARDO. No, not regular basis.

Chairman ROTH. But do you see him often?

Mr. ACCARDO. Oh, maybe three, four times a year.

Chairman ROTH. Have you ever discussed Ed Hanley with Aiuppa?

Mr. ACCARDO. I didn't hear the question.

Chairman ROTH. Have you ever discussed Ed Hanley——

Mr. ACCARDO [interposing]. No, sir.

Chairman ROTH [continuing]. With Aiuppa?

Mr. ACCARDO. No, sir, don't know Ed Hanley.

Chairman ROTH. You don't know Ed Hanley?

Mr. ACCARDO. No.

Chairman ROTH. You never met him?

Mr. ACCARDO. No, sir.

Chairman ROTH. You don't know who he is?

Mr. ACCARDO. No, sir.

Chairman ROTH. Isn't it true that he's president of the Hotel Workers?

Mr. ACCARDO. I have no idea.

Chairman ROTH. You have no idea. Do you have any contact with the Hotel Workers Union?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever had any contact with the Hotel Workers Union?

Mr. ACCARDO. No, sir.

Chairman ROTH. Let me point out that in earlier testimony by Mr. Hauser, he says: "Mr. Chairman, my answer to you would be that it is my belief, sincere belief from personal observations that Mr. Ed Hanley along with Mr. Angelo Fosco were handpicked by Tony Accardo and their boss, Tony's boss, to run the respective internationals. I know that for a fact."

You deny that you in any way picked Mr. Hanley to be president of the Hotel Workers?

[Witness conferring with counsel.]

Mr. WALSH. Senator, I have to repeat part of that because he couldn't hear. Just bear with me for one second.

[Pause.]

Mr. ACCARDO. Yes, sir, I deny that question.

Chairman ROTH. Have you at any time in any way influenced the selection of any of the union officials of the Hotel Workers?

Mr. ACCARDO. Never.

Chairman ROTH. You have no say of any kind?

Mr. ACCARDO. Any kind.

Chairman ROTH. Do you know any of the officials of the Hotel Workers?

Mr. ACCARDO. I know Mr. Fosco.

Mr. WALSH. Senator, he doesn't even know Mr. Fosco is not with the Hotel Workers Union.

Chairman ROTH. We are acquainted with a John Lardino who has been involved in Chicago crime for many years. He invoked the fifth amendment before this committee during the McClellan hearings. He has also been an organizer in the Hotel Workers Union. How long have you known John Lardino?

Mr. ACCARDO. Quite a few years.

Chairman ROTH. Did you know John Lardino has been organizing Hotel Workers Union?

Mr. ACCARDO. Not that I remember.

Chairman ROTH. You don't remember?

Mr. ACCARDO. Not that I remember.

Chairman ROTH. Have you ever received any money from Mr. Lardino?

Mr. ACCARDO. No, sir.

Chairman ROTH. You received no money directly or indirectly from Mr. Lardino?

Mr. ACCARDO. No, sir.

Chairman ROTH. Didn't Lardino have total or partial control of Hotel Workers Union Local 450 at one time?

Mr. ACCARDO. I have no idea.

Chairman ROTH. You have no idea. Did you have anything to do with his appointment as a hotel workers organizer by Ed Hanley in 1973?

[Witness conferring with counsel.]

Mr. WALSH. Senator, he says he does not understand the question. Could you repeat it, please?

Chairman ROTH. Did you have anything to do with John Lardino's appointment as a hotel workers organizer by Ed Hanley in 1973?

Mr. ACCARDO. No, sir.

Chairman ROTH. Has Mr. Lardino ever shared any of his union salary with you?

Mr. ACCARDO. No, sir.

Chairman ROTH. Didn't you have one of your associates approach John Lardino back in the 1950's when Lardino headed Chicago Local 593 to ensure his men would picket taverns and restaurants so as to intimidate the owners into joining your Chicago Restaurant Association?

[Witness conferring with counsel.]

Mr. ACCARDO. I don't understand, Senator.

Chairman ROTH. Let me repeat the question. Didn't you have one of your associates approach John Lardino back in the 1950's when Lardino headed Chicago Local 593 to ensure this men would picket taverns and restaurants so as to intimidate the owners into joining your Chicago Restaurant Association?

Mr. ACCARDO. No, sir.

Chairman ROTH. Are you familiar with the so-called Chicago Restaurant Association?

Mr. ACCARDO. No, sir.

Chairman ROTH. You have no knowledge of it?

Mr. ACCARDO. No knowledge.

Chairman ROTH. And no association with it. What control have you, along with Mr. Aiuppa or with anyone else, exercised over the Hotel Workers Union and Mr. Hanley?

Mr. ACCARDO. I have no control over anybody.

Chairman ROTH. You have no influence over those——

Mr. ACCARDO [interposing]. No, sir.

Chairman ROTH. Any union officials?

Mr. ACCARDO. No, sir.

Chairman ROTH. Again, let me ask you, did you have anything to do with Hanley's election as president in 1973?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you know Hanley's predecessor Ed Miller?

Mr. ACCARDO. No, sir.

Chairman ROTH. You had no personal acquaintance with him?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever requested that anyone be placed on this union's payroll?

Mr. ACCARDO. No, sir.

Chairman ROTH. Directly or indirectly? Have you ever requested that anyone be placed on any union payroll?

Mr. ACCARDO. No, sir.

Chairman ROTH. Never influenced directly or indirectly the placement of any——

Mr. ACCARDO [interposing]. No, sir.

Chairman ROTH [continuing]. Personnel. Have you or any members of your family ever had any interest in any casinos or hotels in Las Vegas?

Mr. ACCARDO. No, sir.

Chairman ROTH. Isn't it true that you had an interest in the Riviera Hotel and Casino?

Mr. ACCARDO. I'm sorry.

Chairman ROTH. No interest of any kind in that particular casino?

Mr. ACCARDO. No, sir.

Chairman ROTH. Speak up, please, Mr. Accardo so the reporter can hear you.

Have you or any members of your family ever received any money from any hotels or casinos?

Mr. ACCARDO. No, sir.

Chairman ROTH. Not at any time?

Mr. ACCARDO. Not at any time.

Chairman ROTH. Have you ever stayed at a hotel or casino in Las Vegas?

Mr. ACCARDO. No, sir.

Chairman ROTH. You have never been to Las Vegas?

Mr. ACCARDO. Once.

Chairman ROTH. When you were there, you didn't stay at a hotel?

Mr. ACCARDO. I stayed at a motel. Call it a motel.

Chairman ROTH. Was the motel associated in any way with the casino?

Mr. ACCARDO. Not that I remember. Don't remember.

Chairman ROTH. Did you pay for your bill?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. What sort of business interests have you had in Cuba?

Mr. ACCARDO. I have no business in Cuba.

Chairman ROTH. No business interests of any kind in Cuba?

Mr. ACCARDO. Never.

Chairman ROTH. Did you control any hotels or casinos in Cuba?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you make frequent trips to Cuba before Castro's takeover?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you ever go to Cuba?

Mr. ACCARDO. One time.

Chairman ROTH. You only went to Cuba one time. Why did you go there?

Mr. ACCARDO. Vacation.

Chairman ROTH. Did you go with Sam Giancana?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Why did the two of you go to Cuba?

Mr. ACCARDO. Sir?

Chairman ROTH. Why did the two of you go to Cuba?

Mr. ACCARDO. Just to visit.

Chairman ROTH. The only purpose of the trip to Cuba was purely pleasure?

Mr. ACCARDO. That's right.

Chairman ROTH. Did you lose a lot of money when Castro took over Cuba?

Mr. ACCARDO. No, sir.

Chairman ROTH. Let me just quote again from Antoinette Giancana's statement: "Seizure in Cuba cost Sam and Accardo millions of dollars, but it represented only a fraction of the losses they sustained from investments in the Havana casinos."

You deny that?

Mr. ACCARDO. No, sir, not so.

Chairman ROTH. Did you lose any money at all?

Mr. ACCARDO. No, sir.

Chairman ROTH. Through the seizure in Cuba. Did you have any dealings with Meyer Lansky?

Mr. ACCARDO. No, sir.

Chairman ROTH. Do you know or have you ever spoken with Santos Trafficante from Florida?

Mr. ACCARDO. I met him at the trial.

Chairman ROTH. You met him at the trial?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Did you ever have any contact with him prior——

Mr. ACCARDO [interposing]. No, sir.

Chairman ROTH [continuing]. To the trial? Did you ever have any dealings with him directly or indirectly?

Mr. ACCARDO. No, sir.

Chairman ROTH. Why do you think your name was associated with Santos Trafficante in that particular trial in Florida, if you had no knowledge of him?

Mr. ACCARDO. I have no idea.

Chairman ROTH. Do you know or have you ever spoken with Carlos Marcello from Louisiana?

Mr. ACCARDO. No, sir.

Chairman ROTH. Have you ever seen him personally?

Mr. ACCARDO. No, sir.

Chairman ROTH. Do you know who he is?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you know or ever speak to Angelo Bruno from Philadelphia?

Mr. ACCARDO. No, sir.

Chairman ROTH. You had no contact——

Mr. ACCARDO [interposing]. No, sir.

Chairman ROTH [continuing]. Of any kind with him?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you have any kind of dealings with him directly or indirectly?

Mr. ACCARDO. No, sir.

Chairman ROTH. How about Nick Civella from Kansas City?

Mr. ACCARDO. No, sir.

Chairman ROTH. You don't know him?

Mr. ACCARDO. No, sir.

Chairman ROTH. Do you know or have you ever spoken to Felix Alderisio—A-l-d-e-r-i-s-i-o?

Mr. ACCARDO. I don't remember the name, sir.

Chairman ROTH. Have you ever heard the name?

Mr. ACCARDO. Not that I remember.

Chairman ROTH. Do you know Abe Chapman, also known as "Trigger Abe"?

Mr. ACCARDO. No, sir.

Chairman ROTH. You never had any dealings——

Mr. ACCARDO [interposing]. I don't remember.

Chairman ROTH. Mr. Accardo, when you were here last November, you denied knowing or meeting either Joseph Hauser or Edward Hanley which directly contradicts other information which this subcommittee has received. Do you wish to change your previous response in any way?

[Witness conferring with counsel.]

Mr. ACCARDO. I never met the men, them.

Chairman ROTH. I mentioned two names. Let me repeat it. You say you neither knew nor met either Joseph Hauser or Ed Hanley?

[Witness conferring with counsel.]

Mr. ACCARDO. Never met them.

Chairman ROTH. Never met either one of them. Have you ever spoken to either one on the phone?

Mr. ACCARDO. No, sir.

Chairman ROTH. Last September, the assistant Cook County State attorney told this subcommittee that Anthony Spano controls Hotel Workers Local 450 in Chicago for Joseph Aiuppa. Do you know Anthony Spano?

Mr. ACCARDO. No, sir.

Chairman **Roth**. Does your wife know Spano?

Mr. **Accardo**. No, sir.

Chairman **Roth**. Could you explain how Spano's racetrack parking sticker was once found on your wife's car?

[Witness conferring with counsel.]

Mr. **Walsh**. Senator, you have to repeat it because he can't hear you; that's the problem.

Chairman **Roth**. Could you explain how Spano's racetrack parking sticker was once found on your wife's car?

Mr. **Accardo**. No, sir, don't remember.

Chairman **Roth**. You don't recall it in any way?

Mr. **Accardo**. No, sir.

Chairman **Roth**. Let me ask you again, do you know anyone that's associated with the Hotel Workers Union?

Mr. **Accardo**. No, sir.

Chairman **Roth**. Have you ever received any money from your attorney, Mr. Walsh?

[Witness conferring with counsel.]

Mr. **Accardo**. No, sir.

Chairman **Roth**. Did you have anything to do with the fact that Mr. Walsh was put on the payroll of Hotel Workers Union right after Ed Hanley became president of the union of 1973?

Mr. **Accardo**. Don't know anything about it.

Chairman **Roth**. You have no knowledge that Mr. Walsh——

Mr. **Accardo** [interposing]. No, sir.

Chairman **Roth** [continuing]. Is on the hotel workers' payroll?

Mr. **Accardo**. No, sir.

Chairman **Roth**. Do you have any idea what services Mr. Walsh provides for the union?

Mr. **Accardo**. No, sir.

Senator **Nunn**. Can you hear me now?

Mr. **Accardo**. Kind of.

Senator **Nunn**. Thank you. The last time you appeared before us, Mr. Accardo, we talked about your sources of income. Are you now retired?

Mr. **Accardo**. Yes, sir.

Senator **Nunn**. And where do you live?

Mr. **Accardo**. No sir?

Senator **Nunn**. Where do you live?

Mr. **Accardo**. I live in River Forest and Palm Springs.

Senator **Nunn**. Do you own a home there?

Mr. **Accardo**. Yes, sir.

Senator **Nunn**. When did you buy that home?

Mr. **Accardo**. I think my wife bought the Palm Springs in 1976.

Senator **Nunn**. 1976. Does your wife have a job?

Mr. **Accardo**. No, sir.

Senator **Nunn**. Where does she get her income?

Mr. **Accardo**. Saved the money that I gave her.

Senator **Nunn**. So she got the money from you then?

Mr. **Accardo**. Yes, sir.

Senator **Nunn**. Did she pay for the house in Palm Springs?

Mr. **Accardo**. Yes, sir.

Senator **Nunn**. Pay cash?

Mr. **Accardo**. No, sir.

Senator NUNN. Did she have a mortgage on it?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Do you owe any money on it now?

Mr. ACCARDO. No, sir.

Senator NUNN. The mortgage is paid off?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Where did she receive the money to pay off the mortgage?

Mr. ACCARDO. I can't hear the question.

Senator NUNN. Where did she receive the money to pay off the mortgage?

[Witness conferring with counsel.]

Mr. ACCARDO. She got it from me.

Senator NUNN. And where did you get it?

Mr. ACCARDO. From gambling.

Senator NUNN. Have you derived all your income from gambling?

Mr. ACCARDO. Gambling and selling beer.

Senator NUNN. Gambling and selling beer?

Mr. ACCARDO. Yes, sir.

Senator NUNN. How long have you been gambling? Most of your life?

Mr. ACCARDO. Most of my life.

Senator NUNN. Do you still gamble?

Mr. ACCARDO. Sir?

Senator NUNN. Do you still gamble?

Mr. ACCARDO. No, sir.

Senator NUNN. When was the last time you gambled?

Mr. ACCARDO. Couple of years ago.

Senator NUNN. What kind of gambling was that?

Mr. ACCARDO. I used to bet on horses.

Senator NUNN. Mainly horses?

Mr. ACCARDO. And crap games.

Senator NUNN. Did you run any gambling establishments?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Where were they?

Mr. ACCARDO. In Calumet City.

Senator NUNN. And where is that?

Mr. ACCARDO. It's out of Chicago.

Senator NUNN. Is gambling legal in that county?

Mr. ACCARDO. No, sir.

Senator NUNN. Is gambling illegal in the State of Illinois?

[Witness conferring with counsel.]

Mr. ACCARDO. Yes, sir.

Senator NUNN. And did you own that establishment?

Mr. ACCARDO. I had part of it.

Senator NUNN. You owned part of it. Who else owned part of it?

Mr. ACCARDO. A fellow by the name of Ralph Pierce.

Senator NUNN. Ralph Pierce?

Mr. ACCARDO. Yeah.

Senator NUNN. Anyone else?

Mr. ACCARDO. Lester Cain.

Senator NUNN. Anyone else?

Mr. ACCARDO. John Perry.

Senator NUNN. Anyone else?

Mr. ACCARDO. That's all.

Senator NUNN. So there were four of you?

Mr. ACCARDO. Yes, sir.

Senator NUNN. And how long were you in that business with them?

Mr. ACCARDO. Quite a few years.

Senator NUNN. Are you still in that business with them?

Mr. ACCARDO. No, sir.

Senator NUNN. When did the business terminate?

Mr. ACCARDO. Sir?

Senator NUNN. When did you cease being in business with them?

Mr. ACCARDO. Oh, years ago.

Senator NUNN. Approximately, 1960's, 1970's, when?

Mr. ACCARDO. I don't remember.

Senator NUNN. You don't recall. Do you recall how many years you were in the gambling business with those particular individuals?

Mr. ACCARDO. No, sir; I don't remember.

Senator NUNN. Did you just have one location, or did you have several locations?

Mr. ACCARDO. One location.

Senator NUNN. And tell me again where that was?

Mr. ACCARDO. Sir?

Senator NUNN. Where was that location again?

Mr. ACCARDO. In Calumet City.

Senator NUNN. What county is that in?

Mr. ACCARDO. Cook County, I think.

Senator NUNN. Is that right outside Chicago?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Not part of the city of Chicago?

Mr. ACCARDO. No, sir.

Senator NUNN. And gambling is not legal in that county.

Mr. ACCARDO. No, sir.

Senator NUNN. Have you ever been accused of gambling, any criminal charges brought against you for gambling?

Mr. ACCARDO. No, sir.

Senator NUNN. But you are here admitting that was an illegal activity that you engaged in for a number of years?

Mr. ACCARDO. Yes, sir.

Senator NUNN. But there's never been any indictment?

Mr. ACCARDO. No, sir.

Senator NUNN. What kind of gambling took place at that establishment?

Mr. ACCARDO. What time?

Senator NUNN. What kind, what kinds of gambling; how many different types of gambling took place there?

Mr. ACCARDO. It was for horse betting, crap games, and roulette.

Senator NUNN. Do you recall approximately how much income you derived from that gambling?

Mr. ACCARDO. I don't remember.

Senator NUNN. You don't remember. Did you pay taxes on all the income?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did you keep books on it?

Mr. ACCARDO. It's up to the auditor; he was keeping the books.

Senator NUNN. Who was?

Mr. ACCARDO. Burnstein, Eugene Burnstein.

Senator NUNN. He worked for you?

Mr. ACCARDO. No, sir; he was my tax lawyer.

Senator NUNN. He was your tax lawyer?

Mr. ACCARDO. Sir?

Senator NUNN. Mr. Burnstein was your tax lawyer?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Does he still live in the Chicago area?

Mr. ACCARDO. He's deceased.

Senator NUNN. He kept all of your books then?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did he have an actual set of books he kept up with?

Mr. ACCARDO. I don't remember, sir.

Senator NUNN. But you did pay taxes on all that income?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did you———

Mr. ACCARDO [interposing]. Sir?

Senator NUNN. You paid taxes on all that income from gambling?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Do you recall the most income you ever turned in for tax purposes?

Mr. ACCARDO. I don't remember.

Senator NUNN. Do you recall the most income you ever derived in 1 year or month?

Mr. ACCARDO. I don't remember.

Senator NUNN. Were you making, were you deriving your money by the week or did you get paid by the day, or how did you receive your income?

Mr. ACCARDO. We make book once a month.

Senator NUNN. You make book once a month. That means you figured everything up and split the profits after every month?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Was that at the end of every month?

Mr. ACCARDO. I can't hear you.

Senator NUNN. Was that at the end of every month?

Mr. ACCARDO. Yes, sir.

Senator NUNN. On a calendar basis?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Do you recall the most you ever received in any 1 month from———

Mr. ACCARDO [interposing]. I don't remember.

Senator NUNN. Do you have a general idea, would it have been a thousand dollars or closer to a hundred thousand dollars?

Mr. ACCARDO. I don't remember.

Senator NUNN. Let's just talk in generalities. Would you have ever received as much as a hundred thousand dollars in a month?

Mr. ACCARDO. No, sir.

Senator NUNN. That would have been too much?

Mr. ACCARDO. Too much.

Senator NUNN. What about $50,000, would you ever receive that much in a month?

Mr. ACCARDO. I don't remember.

Senator NUNN. Could have been in that neighborhood?

Mr. ACCARDO. I have no idea.

Senator NUNN. But never as much as $100,000?

Mr. ACCARDO. Sir?

Senator NUNN. Never as much as $100,000?

Mr. ACCARDO. No, sir.

Senator NUNN. Was that money always paid to you in cash, or did you get a check?

Mr. ACCARDO. In cash.

Senator NUNN. Always dealt in cash?

Mr. ACCARDO. Sir?

Senator NUNN. You always dealt in cash?

Mr. ACCARDO. Yes, sir.

Senator NUNN. When was the last time you were in that business, do you recall?

Mr. ACCARDO. I don't recall; I don't remember.

Senator NUNN. Would it have been 10 years ago or 2 years ago?

Mr. ACCARDO. I don't remember.

Senator NUNN. Do you recall the FBI agents, some FBI agents raiding your home at River Forest; FBI agents raiding your home at River Forest?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Is that in Cook County?

Mr. ACCARDO. Yes, sir.

Senator NUNN. You still own a home there?

Mr. ACCARDO. No, sir.

Senator NUNN. You have only one home now?

Mr. ACCARDO. Two homes.

Senator NUNN. Where is the second home?

Mr. ACCARDO. We have a condo in River Forest, also.

Senator NUNN. Was that the place that was raided by the FBI?

Mr. ACCARDO. No, sir.

Senator NUNN. That was a private home, though?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Do you recall when that was?

Mr. ACCARDO. No, sir.

Senator NUNN. Did the FBI find money in your home?

Mr. ACCARDO. Yes, sir.

Senator NUNN. How much?

[Witness conferring with counsel.]

Mr. ACCARDO. It was $275,000.

Senator NUNN. In your home?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Where was that kept in your home?

Mr. ACCARDO. It was kept in a vault.

Senator NUNN. In a vault?

Mr. ACCARDO. Yeah.

Senator NUNN. And they seized that money?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did you bring a suit against them in court?

Mr. ACCARDO. Yes, sir.

Senator Nunn. Did you recover?

Mr. Accardo. Yes, sir.

Senator Nunn. And you received the money back?

Mr. Accardo. Yes, sir.

Senator Nunn. Is that because there was an illegal seizure or something——

Mr. Accardo [interposing]. I have no idea.

Senator Nunn. Your lawyers handle that?

Mr. Accardo. Yeah.

Senator Nunn. Where did that money come from?

Mr. Accardo. From gambling.

Senator Nunn. Was that 1 month's take or was that an accumulation of savings for a long time?

Mr. Accardo. Savings.

Senator Nunn. Took a long time to save that?

Mr. Accardo. Quite a while.

Senator Nunn. And you didn't keep it in a bank; you just kept it at home.

Mr. Accardo. Yes, sir.

Senator Nunn. Do you still keep cash at your home?

Mr. Accardo. No, sir.

Senator Nunn. Not any?

Mr. Accardo. No, sir.

Senator Nunn. So in your Palm Springs home, you don't have any cash?

Mr. Accardo. No, sir.

Senator Nunn. How about in your Cook County home?

Mr. Accardo. No, sir.

Senator Nunn. Condo?

Mr. Accardo. No, sir.

Senator Nunn. No cash?

Mr. Accardo. No.

Senator Nunn. Now you have bank accounts?

Mr. Accardo. Have them; yes, sir.

Senator Nunn. How much are you worth, Mr. Accardo?

Mr. Accardo. Sir?

Senator Nunn. What is your net worth, do you know?

Mr. Accardo. I have no idea.

Senator Nunn. Is it mainly in liquid assets?

Mr. Accardo. Sir?

Senator Nunn. Do you have a lot of liquid assets, cash, bonds, stocks, that kind of thing?

Mr. Accardo. I have stock.

Senator Nunn. Stocks?

Mr. Accardo. Yeah.

Senator Nunn. What companies?

Mr. Accardo. CD at the bank.

Senator Nunn. Certificates of deposit at the bank. Do you have any stocks in any businesses?

Mr. Accardo. No, sir.

Senator Nunn. So all of your money is tied up in cash then?

Mr. Accardo. Tied up in stock.

Senator Nunn. In CD's in banks. Which banks?

Mr. Accardo. River Forest State Bank, River Forest, IL.

Senator NUNN. That is where you do all your business there?

Mr. ACCARDO. Yes, sir.

Senator NUNN. How about Palm Springs, do you have a bank there?

Mr. ACCARDO. Yes, sir.

Senator NUNN. What is the name of that bank?

Mr. ACCARDO. Crocker.

Senator NUNN. Do you keep money there?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Certificates of deposit?

Mr. ACCARDO. Sir?

Senator NUNN. Checking account or certificates of deposit?

Mr. ACCARDO. Checking account.

Senator NUNN. Are all your certificates deposited in the Cook County area?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Could you tell us how much you have in certificates of deposit, approximately?

[Witness conferring with counsel.]

Mr. ACCARDO. I have $700,000 in certificates.

Senator NUNN. Is that money that has all been derived from gambling?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Have you paid taxes on all of that money?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Every penny of it?

Mr. ACCARDO. Every penny.

Senator NUNN. You are an honorable, honest taxpayer then?

Mr. ACCARDO. I am; I pay my taxes.

Senator NUNN. You pay your taxes. You have never cheated on your income taxes?

Mr. ACCARDO. No, sir.

Senator NUNN. Never hidden any money from the Government?

Mr. ACCARDO. No, sir.

Senator NUNN. So every bit of that cash is fully accounted for?

Mr. ACCARDO. Yes, sir.

Senator NUNN. What did you say on your tax return when you turned it in? What did you give as the source of your income?

[Witness conferring with counsel.]

Mr. ACCARDO. I think my tax lawyer put down miscellaneous.

Senator NUNN. Miscellaneous. Mr. Accardo, in your gambling operation, were you honest with the customers?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Absolutely honest?

Mr. ACCARDO. Absolutely honest.

Senator NUNN. No rigged games?

Mr. ACCARDO. No, sir.

Senator NUNN. Everybody got an honest game?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did you have a large establishment? Did you have a lot of people there at one time? What size establishment did you have?

Mr. ACCARDO. A gambling house.

Senator NUNN. How big was it? How many people?

Mr. ACCARDO. Pretty big.

Senator NUNN. How many people?

Mr. ACCARDO. Hold about 600 or 700 people.

Senator NUNN. Did you have a big parking lot?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Was there a restaurant connected with it?

Mr. ACCARDO. No, sir, not that I remember.

Senator NUNN. Did you serve food?

Mr. ACCARDO. I don't remember.

Senator NUNN. Did you serve drinks?

Mr. ACCARDO. I don't remember.

Senator NUNN. Did the police in Cook County know about or the county sheriff's office or any of the law enforcement officials know about your operation?

Mr. ACCARDO. Yes, sir, they raided many a time.

Senator NUNN. But they never arrested you?

Mr. ACCARDO. Sir?

Senator NUNN. They never arrested you?

Mr. ACCARDO. No, sir.

Senator NUNN. You never were there; why weren't you arrested?

Mr. ACCARDO. I never was there.

Senator NUNN. Did you stay away from the joint?

Mr. ACCARDO. I stood close by.

Senator NUNN. You were close enough to get the cash every month; right?

Mr. ACCARDO. Yes, sir.

Senator NUNN. But you didn't hang around?

Mr. ACCARDO. No, sir.

Senator NUNN. Did they indict anyone because of that gambling establishment?

Mr. ACCARDO. Sir?

Senator NUNN. Did they indict any of your partners? Were any of your partners——

[Witness conferring with counsel.]

Mr. ACCARDO. Not that I know of. I don't remember.

Senator NUNN. Nobody was ever prosecuted?

Mr. ACCARDO. No, sir.

Senator NUNN. What did they do when they raided the gambling establishment, just come in and say, hello, and let everybody off? What did they do?

Mr. ACCARDO. They arrested some clients and then discharged them in court.

Senator NUNN. Just arrest the people there?

Mr. ACCARDO. Yeah.

Senator NUNN. They never did arrest anybody who had ownership?

Mr. ACCARDO. They took somebody who was working there.

Senator NUNN. Did you help get them out of jail when they were arrested?

Mr. ACCARDO. No, sir.

Senator NUNN. They were on their own, sir?

Mr. ACCARDO. Got a lawyer to get them out.

Senator NUNN. Did you pay the lawyer?

Mr. ACCARDO. Yes, sir.

Senator NUNN. So you did help your employees when they got in trouble?

Mr. ACCARDO. Yes, sir, and the clients, too.

Senator NUNN. You were very loyal to them. You took care of the people who worked for you?

Mr. ACCARDO. Yes, sir.

Senator NUNN. What is the most number of people you ever had working for you?

Mr. ACCARDO. Oh, I'd say about 30 people.

Senator NUNN. About 30 people? Mr. Accardo, did you ever pay off any law enforcement officials?

Mr. ACCARDO. No, sir.

Senator NUNN. Never bribed anyone in law enforcement?

Mr. ACCARDO. No, sir.

Senator NUNN. Never had any protection from law enforcement?

Mr. ACCARDO. No, sir.

Senator NUNN. Did you ever pay off any prosecuting attorneys?

Mr. ACCARDO. No, sir.

Senator NUNN. Did you ever bribe any judges?

Mr. ACCARDO. No, sir.

Senator NUNN. You never bribed anyone?

Mr. ACCARDO. No, sir.

Senator NUNN. You never asked for protection?

Mr. ACCARDO. No, sir.

Senator NUNN. But you've never been indicted for gambling?

Mr. ACCARDO. Sir?

Senator NUNN. You've never been indicted or tried for gambling?

[Witness conferring with counsel.]

Mr. ACCARDO. I was indicted once on conspiracy of gambling.

Senator NUNN. When was that?

Mr. ACCARDO. Oh, years ago.

Senator NUNN. Were you convicted or were you——

Mr. ACCARDO [interposing]. Sir?

Senator NUNN. Were you acquitted or convicted?

Mr. ACCARDO. I was acquitted.

Senator NUNN. Before a jury?

Mr. ACCARDO. No, sir.

Senator NUNN. Before a judge?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did the judge actually have a trial and have people testify, or was it on a technicality?

Mr. ACCARDO. Yes, sir.

Senator NUNN. He did have a trial?

Mr. ACCARDO. Yes, sir.

Senator NUNN. Did you have anybody that testified on your behalf?

Mr. ACCARDO. I think—I don't remember.

Senator NUNN. Did you testify?

Mr. ACCARDO. No, sir.

Senator NUNN. You didn't testify on your own behalf?

Mr. ACCARDO. No, sir.

Senator NUNN. You were not called as a witness?

Mr. ACCARDO. No, sir.

Senator NUNN. You never took an oath in that trial?

Mr. ACCARDO. No, sir.

Senator NUNN. Mr. Accardo, do any of the people who worked for you in that gambling establishment, do you still know any of them?

Mr. ACCARDO. What?

Senator NUNN. People who worked for you in that gambling establishment, do you know any of them?

Mr. ACCARDO. No, sir.

Senator NUNN. Not now?

Mr. ACCARDO. Don't remember now any more.

Senator NUNN. How about your partners in that establishment, what happened to them?

Mr. ACCARDO. My partners are deceased.

Senator NUNN. All of them are?

Mr. ACCARDO. Yes.

Senator NUNN. Do you recall the last time you had any gambling activity in that establishment?

Mr. ACCARDO. No, sir, I don't recall.

Senator NUNN. Did you close up? Is it still operating?

Mr. ACCARDO. It's been closed for years.

Senator NUNN. Like how many years, could you tell us?

Mr. ACCARDO. Oh, I have no——

Senator NUNN. Ten years at least, or something like that?

Mr. ACCARDO. I don't remember, sir.

Senator NUNN. It hadn't been in the last year or so, though?

Mr. ACCARDO. No, sir.

Senator NUNN. Would you say it's been more than 5 years since that establishment was open?

Mr. ACCARDO. I don't remember.

Senator NUNN. Twenty years?

Mr. ACCARDO. Take it or leave it; whatever you say, I'll go for it. I don't remember.

Senator NUNN. I don't know. I've never been there.

Mr. ACCARDO. I don't remember.

Senator NUNN. You don't know whether it's been 1 year?

Mr. ACCARDO. I know it's more than——

Senator NUNN. But you definitely are stating here you did engage in illegal gambling activity?

Mr. ACCARDO. Yes, sir.

Senator NUNN. And you did that for a long time?

Mr. ACCARDO. Yes, sir.

Senator NUNN. For many years?

Mr. ACCARDO. I don't remember.

Senator NUNN. I will wait.

Chairman ROTH. Senator Rudman.

Mr. WALSH. Mr. Chairman, could we take a break at this time and go in back?

Chairman ROTH. Yes. We will suspend the hearing.

[Brief recess.]

[Senators present at time of recess: Senators Roth, Rudman, and Nunn.]

[Senators present at resumption of hearing: Senators Roth, Rudman, and Nunn.]

Senator NUNN. Mr. Accardo, I want to ask you one other question on the gambling, and then I will defer to Senator Rudman. Do you recall the name of your gambling establishment?

Mr. ACCARDO. Calumet City.

Senator NUNN. Called it the name of the county. Do you know how you spell that? I'm having a hard time hearing it.

Mr. ACCARDO. No. I think the name, if I remember right, it might have been the Owl Club.

Senator NUNN. The Owl, O-w-l, Owl?

Mr. ACCARDO. Yeah.

Senator NUNN. Like the bird. Do you remember the address?

Mr. ACCARDO. No, sir.

Senator NUNN. Was it right downtown or was it out of town? Where was it?

Mr. ACCARDO. It was on the edge of town.

Senator NUNN. But in the city limits?

Mr. ACCARDO. Yes.

Senator NUNN. I thank you. I defer.

Chairman ROTH. Senator Rudman.

Senator RUDMAN. Thank you, Mr. Chairman. Mr. Accardo, I just have a few questions. I just want to follow up on Senator Nunn's question about your net worth. You have about $700,000 in certificates of deposit?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. You have a home in River Forest?

Mr. ACCARDO. Sir?

Senator RUDMAN. You have a home in River Forest?

Mr. ACCARDO. Condo.

Senator RUDMAN. One condo?

Mr. ACCARDO. Yes.

Senator RUDMAN. That's the only property you own there?

Mr. ACCARDO. In River Forest.

Senator RUDMAN. How much is that worth?

Mr. ACCARDO. Sir?

Senator RUDMAN. How much is that worth?

Mr. ACCARDO. About $155,000.

Senator RUDMAN. Do you have any other property in the State of Illinois?

Mr. ACCARDO. Sir?

Senator RUDMAN. Do you own any other property in the State of Illinois?

Mr. ACCARDO. Not at the present. I owned a vacant lot years ago.

Senator RUDMAN. Now you have a condominium in California?

Mr. ACCARDO. Sir?

Senator RUDMAN. You have a condominium in California?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. How much is that worth?

Mr. ACCARDO. About $110,000.

Senator RUDMAN. Do you own anything else other than the certificates and the two condominiums?

Mr. ACCARDO. That's all, sir.

Senator RUDMAN. That's it?

Mr. ACCARDO. Yeah.

Senator **Rudman**. You took up part-time residence in Palm Springs in about 1979; is that correct?

Mr. **Accardo**. As far as I can remember.

Senator **Rudman**. Now, Joe Aiuppa had a place there then, didn't he?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. And Ed Hanley, who is a friend of Aiuppa's, had a place there; did you know that?

Mr. **Accardo**. I had no idea.

Senator **Rudman**. How about John Gibson, did you know John?

Mr. **Accardo**. No.

Senator **Rudman**. How about Pinky Schiffman and Blackie Leavitt and Frank Marolda?

Mr. **Accardo**. Don't know them.

Senator **Rudman**. Never met them?

Mr. **Accardo**. No, sir.

Senator **Rudman**. Don't know that they live in Palm Springs?

Mr. **Accardo**. I don't know.

Senator **Rudman**. You don't know they are affiliated with the Hotel Workers Union?

Mr. **Accardo**. No, sir.

Senator **Rudman**. Why did you pick Palm Springs? Why did you happen to pick there?

Mr. **Accardo**. I like the weather and I like the golf.

Senator **Rudman**. Did you also like the fact that your old pal Joey Aiuppa lived there?

Mr. **Accardo**. I was there before he came down. He rented the place.

Senator **Rudman**. But he rented a place there before you bought your place, didn't he?

Mr. **Accardo**. I don't remember.

Senator **Rudman**. Do you see Aiuppa up there very much?

Mr. **Accardo**. No, sir, don't see him at all.

Senator **Rudman**. Not at all. You talked to him, though, according to your answer to the chairman, last week you talked to Mr. Aiuppa?

Mr. **Accardo**. It's possible, if I remember right.

Senator **Rudman**. In the last couple of weeks?

Mr. **Accardo**. Yes.

Senator **Rudman**. Did he call you?

Mr. **Accardo**. No, sir.

Senator **Rudman**. You called him?

Mr. **Accardo**. No, sir.

Senator **Rudman**. Well, how did you happen to talk to each other?

Mr. **Accardo**. Well, he came over to the house and had some coffee.

Senator **Rudman**. I see. He came to see you?

Mr. **Accardo**. Yes.

Senator **Rudman**. Was this right after you got out of the hospital?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. Why did he come to see you?

Mr. **Accardo**. To see how I was, how I felt.

Senator **RUDMAN**. Did you talk about the fact you were going to make a trip here to Washington to testify before this committee?

Mr. **ACCARDO**. No, sir, didn't even talk Washington.

Senator **RUDMAN**. Didn't talk about the investigation?

Mr. **ACCARDO**. No, sir.

Senator **RUDMAN**. Didn't talk about the fact that he had been mentioned by this same subcommittee you were going to appear before?

Mr. **ACCARDO**. No, sir.

Senator **RUDMAN**. Just talked about how you were feeling?

Mr. **ACCARDO**. No, sir, just talked about my health and the weather.

Senator **RUDMAN**. When did you meet Joey Aiuppa?

Mr. **ACCARDO**. I don't remember where I met him.

Senator **RUDMAN**. No, when?

Mr. **ACCARDO**. Years ago.

Senator **RUDMAN**. How old are you, Mr. Accardo?

Mr. **ACCARDO**. Seventy-eight years old.

Senator **RUDMAN**. So did you meet him 50 years ago?

Mr. **ACCARDO**. It's possible.

Senator **RUDMAN**. So you probably met him in the 1930's?

Mr. **ACCARDO**. I don't remember when I met him.

Senator **RUDMAN**. Were you a young man when you met him?

Mr. **ACCARDO**. Yes, sir.

Senator **RUDMAN**. Were you in your twenties?

Mr. **ACCARDO**. Sir?

Senator **RUDMAN**. Were you in your twenties when you met him?

Mr. **ACCARDO**. I don't remember either.

Senator **RUDMAN**. What do you call young, under 40?

Mr. **ACCARDO**. Well, I guess so.

Senator **RUDMAN**. So we have established at least you met him in the 1920's or 1930's. How did you meet him, do you recall?

Mr. **ACCARDO**. Must have met at a racetrack.

Senator **RUDMAN**. And he's a pretty good golfer, is he—Mr. Aiuppa?

Mr. **ACCARDO**. He don't golf.

Senator **RUDMAN**. But you golf?

Mr. **ACCARDO**. Yes, sir.

Senator **RUDMAN**. You used to go to the track with Aiuppa?

Mr. **ACCARDO**. Yes, sir.

Senator **RUDMAN**. And he was also a gambler?

Mr. **ACCARDO**. Yes, sir.

Senator **RUDMAN**. So you did a lot of gambling together at the track?

Mr. **ACCARDO**. Sir?

Senator **RUDMAN**. You did a lot of gambling together at the track?

Mr. **ACCARDO**. No, sir.

Senator **RUDMAN**. You didn't?

Mr. **ACCARDO**. Didn't gamble at all together.

Senator **RUDMAN**. He gambled and you gambled at the same racetrack?

Mr. **ACCARDO**. Yes, sir.

Senator **RUDMAN**. OK. Was he married?

Mr. ACCARDO. Yes, sir, was. His wife is deceased.

Senator RUDMAN. But at the time he was married?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. And you were married?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Do you have children?

Mr. ACCARDO. Four children.

Senator RUDMAN. And he had children?

Mr. ACCARDO. No, sir.

Senator RUDMAN. The families were together frequently during those years when you were 20 or 30?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Used to spend time with each other?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Maybe travel a little together on weekends?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Never did anything together?

Mr. ACCARDO. Sir?

Senator RUDMAN. The families never did anything together?

Mr. ACCARDO. I didn't understand.

Senator RUDMAN. Let me restate that. Maybe I am speaking too quickly for you, Mr. Accardo. Did your family and Mr. Aiuppa's family occasionally do things together socially?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Go to dinner?

Mr. ACCARDO. Go to dinner.

Senator RUDMAN. Visit each other's house.

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Maybe go on a picnic?

Mr. ACCARDO. I don't know. I don't remember.

Senator RUDMAN. Whatever families do together?

Mr. ACCARDO. Yeah, I don't remember.

Senator RUDMAN. So you knew him at least 50 years?

Mr. ACCARDO. It's possible.

Senator RUDMAN. We understand, Mr. Accardo, we are not trying to trick you into telling us a date; that is not our intention. We are trying to get some general facts here. So you have known him more or less 50 years?

Mr. ACCARDO. More or less.

Senator RUDMAN. During all that time that you would go to the racetrack together, he could come to your house for dinner, you would go to his house for dinner?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Your families would do things together?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. You must have talked—he was a good friend of yours?

Mr. ACCARDO. Sir?

Senator RUDMAN. He was a good friend?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Well, you have some idea what Aiuppa was doing in his life.

Mr. ACCARDO. No, sir, never was interested.

Senator RUDMAN. Never was interested. In other words, you are telling us that you had dinner with a fellow and your wives knew each other, and you went on gambling visits together to the racetrack, but at no time did you ever know anything other than his name, his wife's name, his kid's name and he was a gambler?

Mr. ACCARDO. That's right.

Senator RUDMAN. That's what you want this subcommittee to believe?

Mr. ACCARDO. I can't help it.

Senator RUDMAN. Then you did not know that in the period that you knew him in the 1930's that Mr. Aiuppa chartered Local 450 of the Hotel & Restaurant Workers Union?

Mr. ACCARDO. I don't know.

Senator RUDMAN. You didn't know that?

Mr. ACCARDO. No, sir.

Senator RUDMAN. You did not know that he was involved with that union at that time?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Never mentioned that to you?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Were you selling beer also back about that time?

Mr. ACCARDO. Sir?

Senator RUDMAN. Were you selling beer back at about that time?

Mr. ACCARDO. Oh, I was selling beer, but not that far back.

Senator RUDMAN. In the 1940's were you selling beer during the war?

[Witness conferring with counsel.]

Mr. ACCARDO. It was in the 1950's. I'm not sure.

Senator RUDMAN. You still were friendly with Aiuppa?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. When you were selling beer, one of your customers, a place was called Hanley's Tavern?

Mr. ACCARDO. Sir?

Senator RUDMAN. One of your customers was called Hanley's Tavern in Chicago?

Mr. ACCARDO. I don't know; I don't remember.

Senator RUDMAN. You don't remember that?

Mr. ACCARDO. No.

Senator RUDMAN. Do you remember a man about your age known as "Stick Hanley"?

Mr. ACCARDO. No, sir, I don't remember.

Senator RUDMAN. You are telling the subcommittee that you don't know Stick Hanley; you want to think about that for a minute?

Mr. ACCARDO. I don't know him.

Senator RUDMAN. Did any of your children ever work for the Hotel & Restaurant Workers Union?

Mr. ACCARDO. No, sir.

Senator RUDMAN. I want to send this picture back down to you. It is exhibit 6.

[At this point in the hearing, Senator Nunn withdrew from the hearing room.]

[Witness tendered exhibit.]

Senator **Rudman**. Mr. Accardo, the man in the middle with the tie undone at the collar next to the young girl is Al Capone?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. Tell us who the other people are. You started to do that and then we interrupted.

Mr. **Accardo**. Louis Campagna; Rocky DeGrazio, and Johnny Moore.

Senator **Rudman**. What do those people do for a living?

Mr. **Accardo**. I have no idea, sir.

Senator **Rudman**. How do you happen to know who they are?

Mr. **Accardo**. Well, we meet them at racetracks.

Senator **Rudman**. At the racetracks?

Mr. **Accardo**. Yeah.

Senator **Rudman**. You're not in the picture?

Mr. **Accardo**. Sir?

Senator **Rudman**. You are not in the picture?

Mr. **Accardo**. No, sir.

Senator **Rudman**. Who is the good-looking young fellow who is sprawled out on the lawn to Mr. Capone's left, kind of lying half back there?

Mr. **Accardo**. I don't remember who that is.

Senator **Rudman**. That's not you?

Mr. **Accardo**. No.

Senator **Rudman**. You told the chairman that you have no control whatsoever, never did, over organized crime in Chicago; is that right?

Mr. **Accardo**. I didn't hear the question.

Senator **Rudman**. You have denied that you have any control over organized crime in Chicago?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. And you have also essentially told Senator Nunn that you were in the gambling business and you paid taxes on your gambling money?

Mr. **Accardo**. Right.

Senator **Rudman**. And other than that, you were not in any kind of criminal activity?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. That was the only criminal activity you were ever engaged in?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. Could you tell us why when your house was raided in addition to money that the FBI found automatic weapons and sawed off shotguns and handguns? Why did they seize those things? What were they doing in your house?

Mr. **Walsh**. Excuse me, Senator, that is not correct.

Senator **Rudman**. That is incorrect?

Mr. **Walsh**. That is not a correct statement.

Senator **Rudman**. Would you tell us what firearms they found at your house?

Mr. **Walsh**. Senator, that is a different event. If you want to go back to a different event——

Senator **Rudman** [interposing]. Thank you, Mr. Walsh. I will ask——

Mr. **Walsh** [interposing]. But it is a different event, sir.

Senator RUDMAN. Did you ever have firearms seized by law enforcement authorities?

Mr. ACCARDO. I can't hear the question, sir.

Senator RUDMAN. Did you ever have any firearms, guns, seized by law enforcement authorities?

Mr. ACCARDO. The guns were taken from my son's room.

Senator RUDMAN. Do you know what kind of guns they were?

Mr. ACCARDO. Sir?

Senator RUDMAN. Do you know what kind of guns they were?

Mr. ACCARDO. They were all collector's items, antiques. Sir?

Senator RUDMAN. Yes?

Mr. ACCARDO. At the time the FBI agents raided my house, they took two pistols out.

Senator RUDMAN. Well, there was a Mauser semiautomatic pistol with an attached shoulder stock.

Mr. ACCARDO. That's a different event.

Senator RUDMAN. When was that?

Mr. ACCARDO. The guns belonged to my son.

Senator RUDMAN. Why was that Mauser semiautomatic pistol taken from your home?

Mr. ACCARDO. Sir?

Senator RUDMAN. Why was that taken?

Mr. ACCARDO. I have no idea.

Senator RUDMAN. When was it taken?

Mr. ACCARDO. I don't remember.

Senator RUDMAN. From where was it taken?

Mr. ACCARDO. From my son's room.

Senator RUDMAN. In your house?

Mr. ACCARDO. In my house.

Senator RUDMAN. How old was your son at the time?

Mr. ACCARDO. My son right now is about 40 years old.

Senator RUDMAN. How old was he when the guns were taken?

Mr. ACCARDO. He was in the Army.

Senator RUDMAN. Those were his guns?

Mr. ACCARDO. Sir?

Senator RUDMAN. Those were his guns?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. You never owned any guns?

Mr. ACCARDO. Sir?

Senator RUDMAN. Did you ever own any guns?

Mr. ACCARDO. I owned a couple pistols.

Senator RUDMAN. How friendly have you been with John Lardino?

Mr. ACCARDO. How what?

Senator RUDMAN. How friendly have you been with John Lardino?

Mr. ACCARDO. Been friendly for years.

Senator RUDMAN. Socially friendly?

Mr. ACCARDO. Sir?

Senator RUDMAN. Socially friendly?

Mr. ACCARDO. Just friendly. Not too much social.

Senator RUDMAN. Did you gamble together, go to the racetrack together?

Mr. ACCARDO. No, sir.

Senator RUDMAN. What did Mr. Lardino do?

Mr. ACCARDO. I have no idea.

Senator RUDMAN. No idea at all?

Mr. ACCARDO. No, sir.

Senator RUDMAN. You don't know that he is a very influential and high official in the union we are talking about; you don't know that?

Mr. ACCARDO. No, sir.

Senator RUDMAN. How about Tony Champagne, do you know him?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Do you know what he does?

Mr. ACCARDO. Deceased.

Senator RUDMAN. Do you know what he did?

Mr. ACCARDO. He was an attorney.

Senator RUDMAN. Do you know who his principal client was?

Mr. ACCARDO. No, sir.

Senator RUDMAN. You don't know that he was involved with the Chicago Restaurant Association?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Never knew that?

Mr. ACCARDO. No, sir.

Senator RUDMAN. So I guess to summarize, Mr. Accardo, although you have known a number of people that were associated with that union, you never knew, according to your testimony today, that they were affiliated with that union?

Mr. ACCARDO. That's right.

Senator RUDMAN. And you repeat your statement today you don't know Ed Hanley?

Mr. ACCARDO. That's right.

Senator RUDMAN. Did not know his father Stick Hanley?

Mr. ACCARDO. That's right.

Senator RUDMAN. Deny that Hanley's Tavern was one of your customers?

Mr. ACCARDO. I don't remember.

Senator RUDMAN. That you don't deny but you don't remember. Thank you, Mr. Chairman.

Chairman ROTH. Mr. Weiland.

Mr. WEILAND. Mr. Accardo, the committee has had a longstanding interest in former teamsters insurance man by the name of Allen Dorfman; also his associate, Sol Schwartz. Did you know Mr. Dorfman when he was alive?

Mr. ACCARDO. No, sir.

Mr. WEILAND. He was murdered in Chicago not long ago. Can you tell us when you first learned that Mr. Dorfman had been killed?

Mr. ACCARDO. I read it in the newspaper.

Mr. WEILAND. Was that the first information that you had that Mr. Dorfman had been assassinated in Chicago?

Mr. ACCARDO. Yes.

Mr. WEILAND. You didn't have any advance notice of his murder, did you?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Do you know former Teamster president Roy Williams?

Mr. ACCARDO. Sir?

Mr. WEILAND. Do you know Roy Williams with the Teamsters Union?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Do you ever talk to him at all?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Mr. Dorfman and Mr. Williams had an associate by the name of Joey Lombardo. Do you know Mr. Lombardo? He is pictured there in the chart.

Mr. ACCARDO. I do know.

Mr. WEILAND. You do know him?

Mr. ACCARDO. Yeah.

Mr. WEILAND. How long have you known Mr. Lombardo?

Mr. ACCARDO. Not too long.

Mr. WEILAND. Can you give me an estimate at all?

Mr. ACCARDO. Sir?

Mr. WEILAND. Can you give me an estimate?

Mr. ACCARDO. Oh, maybe 4 or 5 years.

Mr. WEILAND. How did you first meet Mr. Lombardo?

Mr. ACCARDO. I don't remember.

Mr. WEILAND. Do you recall who introduced you?

Mr. ACCARDO. Sir?

Mr. WEILAND. Do you recall who introduced you to Mr. Lombardo?

Mr. ACCARDO. No, sir.

Mr. WEILAND. What kind of business was he in?

Mr. ACCARDO. I don't remember; I don't know.

Mr. WEILAND. Did you ever know?

Mr. ACCARDO. Sir?

Mr. WEILAND. Did you ever have an understanding of what Lombardo did for a living?

Mr. ACCARDO. No, sir.

Mr. WEILAND. You testified earlier in response to one of the chairman's questions that you knew Mr. Cerone for some time?

Mr. ACCARDO. Yes.

Mr. WEILAND. That's Jackie Cerone?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. The Chicago media and others have reported that he currently heads the Chicago organized crime family. Were you aware of that?

Mr. ACCARDO. No, sir.

Mr. WEILAND. What does he do for a living?

Mr. ACCARDO. All I know is he golfs

Mr. WEILAND. Has he ever played golf with you?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. Are you suggesting he played golf for money?

Mr. ACCARDO. I don't.

Mr. WEILAND. How about Mr. Cerone?

Mr. ACCARDO. He does.

Mr. WEILAND. Who does he golf with besides you?

Mr. ACCARDO. I don't know who he golfs. There are people at the golf course there.

Mr. Weiland. These are high-stakes rounds, I take it?

Mr. Accardo. I don't remember.

Mr. Weiland. You don't remember?

Mr. Accardo. No.

Mr. Weiland. Has he ever told you who he plays golf with for money?

Mr. Accardo. Sir?

Mr. Weiland. Has he ever told you who he plays golf with for money?

Mr. Accardo. No, sir.

Mr. Weiland. Mr. Chairman, I would like to pass down to the witness what has been marked as exhibit 4 for identification.

[Witness tendered the exhibit.]

Mr. Weiland. Is that a picture of you with Mr. Cerone?

Mr. Accardo. Yes, sir.

Mr. Weiland. Do you recall when that was taken?

Mr. Accardo. No, sir.

Mr. Weiland. Do you recall what you were doing at that time?

Mr. Accardo. No, sir.

Mr. Weiland. Did you even attend a business meeting with Mr. Cerone?

Mr. Accardo. No, sir.

Mr. Weiland. And you are completely unaware of what he does for a living?

Mr. Accardo. No, sir, outside of golf.

Mr. Weiland. Outside of golf. We had another witness here not long ago by the name of Al Pilotto. You know Mr. Pilotto, don't you?

Mr. Accardo. Yes, sir.

Mr. Weiland. What business is he in?

Mr. Accardo. He's in the labor business, according to the newspaper.

Mr. Weiland. The labor union business?

Mr. Accardo. He was on trial with me.

Mr. Weiland. Right. Are you suggesting you didn't know what business he was in other than what you read in the newspaper?

Mr. Accardo. No, sir.

Mr. Weiland. He never told you?

Mr. Accardo. No, sir.

Mr. Weiland. I don't understand the answer to that question.

Mr. Accardo. I don't understand the question.

Mr. Weiland. Did Al Pilotto ever tell you what he did for a living before he was convicted?

Mr. Accardo. No, sir.

Mr. Weiland. We understand he played a lot of golf. Did you play golf with Pilotto?

Mr. Accardo. If I played, I played once.

Mr. Weiland. You weren't with him when he was shot on the golf course, were you?

Mr. Accardo. No, sir.

Mr. Weiland. Mr. Accardo, we also have a great interest in an attorney by the name of Sidney Korshak. Like Ed Hanley, he also has declined to testify by invoking his fifth amendment right. Have you ever met Mr. Sidney Korshak?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. When did you first meet him?

Mr. ACCARDO. Sir?

Mr. WEILAND. When did you first meet him?

Mr. ACCARDO. Oh, years ago.

Mr. WEILAND. Can you give us an estimate?

Mr. ACCARDO. I have no idea. I don't remember.

Mr. WEILAND. Would it be like 20 or 30 years ago?

Mr. ACCARDO. Possible.

Mr. WEILAND. Could it have been longer?

Mr. ACCARDO. I don't remember.

Mr. WEILAND. How did you first come to know Mr. Korshak?

Mr. ACCARDO. I don't remember how we met.

Mr. WEILAND. Did you meet him in Chicago?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. And who introduced you to him?

Mr. ACCARDO. I don't remember.

Mr. WEILAND. Did you understand that he was a labor lawyer at the time you met him?

Mr. ACCARDO. No, sir.

Mr. WEILAND. What did you understand that he did for a living?

Mr. ACCARDO. Just a criminal lawyer.

Mr. WEILAND. A criminal lawyer?

Mr. ACCARDO. Yeah.

Mr. WEILAND. Did he ever represent you?

Mr. ACCARDO. Sir?

Mr. WEILAND. Did he ever represent you?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Any of your friends?

Mr. ACCARDO. No, sir.

Mr. WEILAND. We received testimony last April that Mr. Korshak was sent by you to the Los Angeles area to represent criminal interests there and that Korshak was introduced around Los Angeles by Hotel Worker official Herman Leavitt. Would you comment on that testimony?

Mr. ACCARDO. No, sir, I don't know.

Mr. WEILAND. Is that true or not true?

Mr. ACCARDO. Sir?

Mr. WEILAND. Is that true?

Mr. ACCARDO. No, not that I know of. I don't know.

Mr. WEILAND. Did you send Mr. Korshak to the west coast?

Mr. ACCARDO. Sir?

Mr. WEILAND. Did you send Mr. Korshak to the west coast?

Mr. ACCARDO. I can't hear you.

Mr. WEILAND. Did you ask Mr. Korshak to go to the west coast?

Mr. ACCARDO. No, sir. No, sir.

Mr. WEILAND. Do you know Blackie Leavitt, Herman Leavitt?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Never met him?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Do you know Jimmy Fratianno?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Never met Jimmy "The Weasel" Fratianno?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Does that name ring a bell by any chance?

Mr. ACCARDO. Outside of reading it in the newspaper.

Mr. WEILAND. He has a book with a coauthor. In the book he said Mr. Korshak was a good provider for the family; that he heard you say that about Sidney Korshak.

Mr. ACCARDO. No, sir.

Mr. WEILAND. You never said that?

Mr. ACCARDO. No, sir.

Mr. WEILAND. Let me just ask, Mr. Chairman, before we leave this subject of Mr. Korshak, when was the last time you spoke to Sidney Korshak?

Mr. ACCARDO. I don't remember.

Mr. WEILAND. Was it recent?

Mr. ACCARDO. Sir?

Mr. WEILAND. Was it recent?

Mr. ACCARDO. No, sir. Could have been 3, 4, 5 years.

Mr. WEILAND. What did you talk to him about the last time you saw him?

Mr. ACCARDO. We didn't talk about anything.

Mr. WEILAND. Did you see him on the street?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. You said hello to him?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. Was he in Chicago?

Mr. ACCARDO. Sir?

Mr. WEILAND. Was he in Chicago?

Mr. ACCARDO. Yes, sir.

Mr. WEILAND. Do you ever get together with him in Palm Springs?

Mr. ACCARDO. Sir?

Mr. WEILAND. Do you ever get together with Mr. Korshak in Palm Springs?

Mr. ACCARDO. I see him in Palm Springs occasionally.

Mr. WEILAND. But not for the last several years?

Mr. ACCARDO. Yes.

Chairman ROTH. Senator Rudman.

Mr. WEILAND. Mr. Chairman, before I finish, let me just insert for the record, if I may, what has previously been marked as exhibits 2, 3, and 5. We have not submitted those. Those are all pictures. One is a news article having to do with Mr. Accardo.

[The documents referred were marked for identification and entered into the record of the hearing.]

Chairman ROTH. Mr. Accardo, you mentioned that you were in an illegal gambling business in Calumet City. Was any money paid to any police official?

Mr. ACCARDO. No, sir.

Chairman ROTH. None whatsoever?

Mr. ACCARDO. No, sir.

Chairman ROTH. Was any payoff, were any funds paid to any public official?

Mr. ACCARDO. No, sir.

Chairman ROTH. None at all?

Mr. ACCARDO. None at all.

Chairman ROTH. Now let me ask you this question, Mr. Accardo: Did you know Felix Alderisio, A-l-d-e-r-i-s-i-o?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You did know him. Mr. Accardo, you know Felix Alderisio was called a gangland boss. Did you go to his funeral?

Mr. ACCARDO. I didn't hear the question.

Chairman ROTH. Did you go to his funeral, Mr. Alderisio's funeral?

Mr. ACCARDO. Who?

Chairman ROTH. A-l-d-e-r-i-s-i-o, Alderisio.

Mr. ACCARDO. No, sir.

Mr. WALSH. Excuse me, Senator. He is not understanding what you are saying, and that is the problem.

[Witness conferring with counsel.]

Mr. ACCARDO. I don't know who Alderisio is.

Chairman ROTH. You don't know Felix A-l-d-e-r-i-s-i-o?

Mr. ACCARDO. I don't——

Mr. WALSH [interposing]. He says he doesn't understand you Senator. He can't hear you.

Chairman ROTH. Would you repeat the name of the individual.

Mr. WALSH. I think you are mispronouncing it.

Chairman ROTH. I spelled it twice.

Mr. WALSH. I know, and I am not sure of the pronunciation either, and that is the problem.

Chairman ROTH. He is also called "Milwaukee Phil"?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You know him?

Mr. ACCARDO. Milwaukee Phil, yes, sir.

Chairman ROTH. Did you go to his funeral?

Mr. ACCARDO. No, sir.

Chairman ROTH. You did not go to his funeral. Now, Mr. Accardo, you say you know "Milwaukee Phil"?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You know Mr. Aiuppa?

Mr. ACCARDO. Sir?

Chairman ROTH. You know Mr. Aiuppa?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You know Di Bella?

Mr. ACCARDO. Sir?

Chairman ROTH. You know Di Bella, D-i B-e-l-l-a?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You know Giancana?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Your know Cerone, C-e-r-o-n-e?

Mr. ACCARDO. Yes sir.

Chairman ROTH. And you did not know that each of these were reputedly members of organized crime?

Mr. ACCARDO. Never knew anything.

Chairman ROTH. You never knew that?

Mr. ACCARDO. No, sir.

Chairman ROTH. Did you know that it was stated in the papers that they were members of organized crime?

Mr. ACCARDO. Right.

Chairman ROTH. And you never asked any of these individuals whether there was any truth——

Mr. ACCARDO [interposing]. No, sir.

Chairman ROTH. Don't you think that's a little incredulous? Do you really expect us to believe you had no knowledge of any kind, of any type that these individuals were reputed mobsters?

Mr. ACCARDO. That's my answer to the question.

Chairman ROTH. Do you expect us to believe that? You are saying you associated with these individuals over a period of years; that you played golf with them; that you talked nothing about what they did?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. You expect us to believe that?

Mr. ACCARDO. Yes, sir.

Chairman ROTH. Senator Rudman.

Senator RUDMAN. Mr. Accardo, I just want to come back to just a couple of things. Your nickname for years was Joe Batters?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. B-a-t-t-e-r-s?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. How did you come about that nickname?

Mr. ACCARDO. I don't remember.

Senator RUDMAN. How long were you called that?

Mr. ACCARDO. Oh, for years.

Senator RUDMAN. Since you were a young man?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Well, Joe Batters doesn't sound anything like Tony Accardo. How did they come up with that name for you, do you know?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Just one day somebody said to you, you are now Joe Batters?

Mr. ACCARDO. Yes.

Senator RUDMAN. You don't remember who gave you that name?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Mr. Accardo, you said that Joe Aiuppa came over to your house a couple weeks ago.

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. How long was he there?

Mr. ACCARDO. About 20 minutes.

Senator RUDMAN. Now, you obviously read the papers in Chicago?

Mr. ACCARDO. Yes, sir.

Senator RUDMAN. Because you've answered a lot of questions that you read these things in the papers. Do you recall this subcommittee was out in Chicago in March of last year? Do you remember that?

[Witness conferring with counsel.]

Mr. ACCARDO. Yes, sir, was in the paper.

Senator RUDMAN. There was quite a bit about you in that story, wasn't there?

Mr. ACCARDO. I think there was.

Senator RUDMAN. Well, there was a lot about Mr. Aiuppa also, wasn't there?

Mr. ACCARDO. I don't know.

Senator RUDMAN. You don't remember that at all?

Mr. ACCARDO. No, sir.

Senator RUDMAN. Mr. Accardo, this one part of your testimony I really want to get very clear so we have a clear understanding of what you are saying. This subcommittee has been investigating this union for a long time and making various connections to various people that are reputed to be in organized crime, including you, whether you deny that or not, other people have said that is right. Maybe you are telling the truth; maybe they are telling the truth, but my question to you, Mr. Accardo, is simply this:

You have known Joey Aiuppa for years. You've been social friends; you've been family friends. You've done things together. A year and a half ago, March of last year, a year and 4 months ago, you were both the subject of extensive publicity in the Chicago papers derived from this subcommittee's hearings. Mr. Aiuppa has refused to come before the subcommittee, and then said he would take the 5th amendment if he did. You have been before this subcommittee before. We finally got you back here after a number of court proceedings. And my question, based on all that, is simply this:

Are you telling this subcommittee today that in your meeting with Joey Aiuppa 2 weeks ago you did not discuss in any way the questions that might be asked by this subcommittee of you about Mr. Aiuppa?

Mr. ACCARDO. That's right.

Senator RUDMAN. Never talked about it?

Mr. ACCARDO. No, sir.

Senator. RUDMAN. Didn't mention the fact you were linked together in the newspapers and on television, didn't talk about it?

Mr. ACCARDO. I didn't hear the question.

Senator RUDMAN. Did not ever discuss the fact that your names appeared together in the Chicago press and on Chicago television, never discussed that?

Mr. ACCARDO. That's right.

Senator RUDMAN. Mr. Chairman, I see no useful purpose in any further line of questioning I want to ask. I think that we have got the record quite clear, and we have established, I think, what we wish to establish. The curious thing about this testimony, Mr. Chairman, as far as I'm concerned, is there must be some kind of a very polite habit of some people in the Chicago area who are involved in this line of work—you know people for years; you have dinner with them; you go places with them; and your names are together in the newspaper, but you would never be so curious or impolite as to ask what the guy does, other than he is a very good golfer, and I suspect he probably is. We've established that. We've established the knowledge all these people have of each other, but obviously, we are not going to get testimony today which will indicate the nature of the relationship. But I think for purposes of what we are doing, this is not a court, this is an investigating committee, we have established all we have to set out to do.

I thank the chairman.

Chairman ROTH. Thank you, Senator Rudman. Mr. Weiland.

Mr. Weiland. One last thing, Mr, Chairman. Mr. Accardo, did you sometimes travel with Mr. Aiuppa and Mr. Cerone?

Mr. Accardo. Yes, sir.

Mr. Weiland. Where have you gone with those two gentleman?

Mr. Accardo. Racetrack.

Mr. Weiland. Do you ever travel outside of Chicago with them?

Mr. Accardo. I was outside of Chicago with Mr. Aiuppa.

Mr. Weiland. Where were you with him?

Mr. Accardo. We went to Africa hunting on a safari.

Mr. Weiland. Where in Africa?

Mr. Accardo. Botswanaland, wherever that's at.

Mr. Weiland. Do you remember when you did that?

Mr. Accardo. Sir?

Mr. Weiland. Do you remember when that was?

Mr. Accardo. No, I don't.

Mr. Weiland. Did you ever go to the Bahamas with Aiuppa?

Mr. Accardo. Yes, sir.

Mr. Weiland. That's also outside the United States.

Mr. Accardo. And Mr. Cerone also.

Mr. Weiland. Was anyone else on that trip?

Mr. Accardo. There was somebody, but I don't remember.

Mr. Weiland. Let me ask, Mr. Chairman, that we provide the witness a copy of a photograph that we have and that might help refresh his recollection.

[Witness was tendered the document.]

Mr. Weiland. Let me ask the clerk to give you the original photograph. It is a little more clear. Do you recognize anyone in that picture, Mr. Accardo?

Mr. Accardo. Sir?

Mr. Weiland. Do you recognize anyone in that picture?

Mr. Accardo. I recognize myself and the back of Joey Aiuppa, and there's a fellow——

[Witness conferring with counsel.]

Mr. Accardo [continuing]. A fellow by the name of Tony Goldberg.

Mr. Weiland. Tony who?

Mr. Accardo. Goldberg.

Mr. Weiland. Is he also a friend of yours?

Mr. Accardo. Yes, sir.

Mr. Weiland. Do you know what he does for a living?

Mr. Accardo. No, sir.

Mr. Weiland. Other people in that picture are marked Anthony Giacalone and Rocco Padulo. Are those names correct or are we incorrect?

Mr. Accardo. Giacalone, I don't know that name. Rocco Padulo's name is correct.

Mr. Weiland. Was he with you on that trip?

Mr. Accardo. Yes, sir.

Mr. Weiland. And what about Anthony Giacalone, you don't know him?

Mr. Accardo. I don't remember.

Mr. Weiland. Was he with you on the trip?

Mr. Accardo. I don't remember, sir.

Mr. **Weiland**. Is it possible that he went along and you didn't become acquainted with him?

Mr. **Accardo**. I don't remember.

Mr. **Weiland**. What was the purpose of the trip?

Mr. **Accardo**. We went tuna fishing.

Mr. **Weiland**. Tuna fishing in Bimini?

Mr. **Accardo**. Yes, sir.

Mr. **Weiland**. How long did you stay?

Mr. **Accardo**. Ten days.

Mr. **Weiland**. Did you do any business——

Senator **Rudman** [interposing]. Did you catch any fish, Mr. Accardo?

Mr. **Accardo**. Sorry?

Senator **Rudman**. Did you catch any fish?

Mr. **Accardo**. Yes, sir.

Senator **Rudman**. Did you do any gambling?

Mr. **Accardo**. No, sir, there was no gambling on Bimini.

Mr. **Weiland**. Was there any business conducted?

Mr. **Accardo**. Outside of taverns and hotels.

Mr. **Weiland**. What about business, did you talk business with Aiuppa and Cerone?

Mr. **Accardo**. Sir?

Mr. **Weiland**. Did you talk business with Aiuppa and Cerone?

Mr. **Accardo**. No, sir.

Mr. **Weiland**. Thank you, Mr. Chairman.

Chairman **Roth**. This completes the session this morning. I just want to reemphasize what I said a few minutes ago. It is incredulous that an individual who has such close associations with many figures that were publicly perceived as associated with the Chicago mob family that you had no personal knowledge of that. I don't think, as Senator Rudman said, it is an unusual practice in Chicago that you could have such close relationships and have no knowledge of the personal dealings of these individuals.

You are excused for the moment, Mr. Accardo. The subcommittee is in recess.

[Whereupon, at 11:58 a.m., the subcommittee adjourned.]

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